GOVERNANCE IN ETHIOPIAN HIGHER EDUCATION SYSTEM:  
State-Higher Education Institutions Relationship, the Case of Mekelle University

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Supervisor: Jussi Kivisto, PhD

Yohannes Hailu Mehari
ABSTRACT

University of Tampere, Department of Management Studies

Author: MEHARI, YOHANNES HAILU
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This study set out to examine the influence of the state in the governance of Higher Education Institutions (HEIs) of Ethiopia. The purpose of this research was mainly to disclose the relationship between the state and HEIs in the governance arrangements and autonomy of universities in Ethiopia. In addition, it also aimed to show the reform process of HE and the reaction of universities towards the reform. A part from this, the study focused on showing the effect of the governance model that Mekelle University (MU) follows on the autonomy of the university. To understand this context, MU, which is one of the public universities in Ethiopia, was chosen as a case study to represent the HEIs of the country. To investigate the issues thoroughly, the study adopted a qualitative case study methodology. The data collection methods used in this research included documents (such as: reform documents, proclamations, official reports, legislations, etc.) and phone interviews. Teachers, department heads, faculty deans, associate vice president and administration personnel participated in the phone interviews.

The findings of the study revealed that the main actor of the reform for the HEIs in Ethiopia is the state. Consequently, the changes follow a top down approach. Universities are there to implement what the government wants them to do. Compliance or conformity to new changes is their major organizational strategy to adapt to the changes. It was also found that, the institutional autonomy of the university is highly compromised by the state. In other words, the organizational, financial, academic and staffing autonomy of the university is mainly determined by the state. Consequently, MU’s governance model is more of a bureaucratic and hierarchical one. Last but not least, this research also indicated that the bureaucratic nature of the governance model influences the academic community not to participate fully in the university affairs. In sum, it was concluded that the governance reforms of HEIs in Ethiopia are mainly dominated by the state without adequately incorporating the needs of the universities.
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<tr>
<td>AC</td>
<td>Academic Commission</td>
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<tr>
<td>BPR</td>
<td>Business Process Reengineering</td>
</tr>
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<td>CSP</td>
<td>Civil Service Proclamation</td>
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<td>DC</td>
<td>Department Council</td>
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<td>HE</td>
<td>Higher Education</td>
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<td>HEC</td>
<td>Higher Education Council</td>
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<td>HEI</td>
<td>Higher Education Institution</td>
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<td>HEP</td>
<td>Higher Education Proclamation</td>
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<td>HESO</td>
<td>Higher Education System Overhaul</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>MC</td>
<td>Managing Council</td>
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<td>MOE</td>
<td>Ministry of Education</td>
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<td>MU</td>
<td>Mekelle University</td>
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<td>NPM</td>
<td>New Public Management</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PhD</td>
<td>Doctor of Philosophy</td>
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<td>UC</td>
<td>University Council</td>
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1 INTRODUCTION

1.1 Background of the Study

Ethiopian higher education (HE) system is relatively young. It started a little over 50 years ago. However, its development within half a century, by any standard, was very low. For a population of over 70 million, the expansion of both public and private higher education institution was totally insignificant (Teshome, 2003). The higher education institutions (HEIs) of the country had been for many years under full control of the government and they were mainly involved in the production of elite and governed by elite system. As the twentieth century drew to a close, Ethiopia found itself with a higher education system that was regimented in its management, conservative in its intellectual orientation and limited in its autonomy (Saint, 2004).

Currently Ethiopian HE system is characterized as dual system that includes institutions with three, four, and six years undergraduate programs, as well as those offerings through the two-year Masters and three year PhD level. As of 2006-07 there are 21 public universities (including Mekelle University) and 51 accredited, and reporting non-government institutions. These institutions offer instruction via regular, evening, ‘kiremet’ (summer), and Distance modalities (MOE, 2008).

The organizational structure of universities in Ethiopia has a very bureaucratic nature. Presidents and vice presidents, who are appointed by the government upon the recommendation of the board, run universities in Ethiopia. And the board is the head of the general administration of the university. Colleges, schools and faculties are lead by deans who are nominated by the academic staffs and appointed by the president. Under the faculties there are departments, which are the smallest principal units lead by department heads.

Currently, HE in Ethiopia, particularly in the government sector, has the highest of all educational levels-enrolment rates, with the annual average increase of over 33% per year. Total enrolment in the HEIs in 2006-07, for 55 reporting institutions, is 229, 864 in all programs including: regular, evening, ‘kiremet’ or summer and distance for both public and private institutions. Besides, the annual intake capacity of public universities in the undergraduate level has increased from 19, 493 students in 2002/03 to 41, 342 students in 2007 which is an increment of 112.1 %. Within these four years the average increment of the annual intake capacity was around 28%. According to the annual abstract of the Ministry of Education (MOE), (2008), there is a plan to increase the annual
intake capacity of the HEIs of the country to 110,000 in 2010. To achieve this additional 10 public universities are under construction.

Mekelle University (MU) (which the researcher of this study wants to study on) is located in northern Ethiopia (Mekelle, Tigray), at a distance of 783 kilometres from the Ethiopian capital city, Addis Ababa. It has three campuses within the city of Mekelle, Endayesus campus (Dry land agriculture and natural resources management, Science and technology, Education, Veterinary science, Languages, Journalism and arts), Adi-Haki campus (law, business and economics), and Aider campus (College of health sciences). A fourth campus is under construction at Kelamino for the faculty of Veterinary science. MU was established in May 2000 by the government of Ethiopia (Council of Ministers, regulations No. 61/1999 of Article 3) as autonomous HEI having its own legal personality. MU is one of the 21 secular universities in Ethiopia.

In MU, there are six faculties and 37 departments. At present, the university has the following faculties: faculty of dry land agriculture and natural resources management; faculty of business and economics; faculty of science and technology; faculty of law; faculty of education; faculty of veterinary science and college of health sciences (MU, 2008).

Like in the rest of the public HEIs in Ethiopia, all the 6 faculties and 1 college are led by deans and the 44 departments are run by department heads who are appointed by the dean of the faculty for 2 years. According to the Higher Education Proclamation (HEP) No. 35/2003, each faculty, college or school of MU has an Academic Commission (AC). The AC consists of a dean, vice-deans, head of departments, students’ representatives, and representatives of the academic staff which are elected by the general assembly of the academic staff and other heads whose members is to be determined by the established law. The other segment of the university is the administrative. The vice president for administration and development leads the administrative branch of the university. This section is responsible for the non-academic affairs of the university.

To sum up, HE in Ethiopia with the introduction of the ‘new’ proclamation in 2003, that has been in practice till recently and replaced by new proclamation in September 2009, has shown many changes. In 2003, the Ethiopian government introduced HEP (No.351/2003), establishing wide-ranging reforms to the HE system. The reforms introduce elements of a quasi-market in HE: learners sharing the costs of HE and therefore moving into a customer-like relationship with HEIs; the expansion of private HE; and the move away from state funding of public HEIs through the encouragement of income generation activity. They also enable a move from extreme centralization
towards institutional autonomy (HESO, 2004). Still various reform activities regardless of their scale or size have been carried out in different names. Some years ago result oriented performance management was the main issue of universities in Ethiopia to bring about quality in their functions. Besides, public HEIs in Ethiopia currently are extremely ‘busy’ in introducing Business Process Reengineering (BPR) to become center of research and quality universities (MU, 2008).

However, all the reforms that have been carried out have various outcomes and impacts on the overall performance of the universities with regard to organizational structure, institutional autonomy and relation with the state.

1.2 Research problem and questions

The issue of governance in HE is a complex phenomena that involves the analysis of the steering capacity of the government to influence the behavior of the HEIs on the one hand, the behavior institutions themselves manage their internal academic and professional issues on the other hand, and the way HEIs react to external environment (van Vught, 1993:12). This implies that governance of HE has both internal (institutional) and external (system) features. Emphasizing this dual nature de Boer & File, (2009) comment that internal governance refers to the institutional arrangements within universities (e.g., lines of authority, decision-making processes, financing, and staffing) whereas external governance refers to the institutional arrangements on the macro- or system-level (e.g., laws and decrees, funding arrangements, evaluations). Consequently, the internal and external natures of governance in HE directly or indirectly affect the autonomy of the university (Leisyte, 2007).

Thus, it is assumed that the interaction of these parties has an impact on the overall performance of the system in general and the HEIs in particular. Besides, a critical analysis of the interaction of the internal and external environment may also reveal the status of the governance of a particular country’s HE system. Basically, this thesis focuses on investigating how university’s functioning influences all the stakeholders (internal and external), how the various parts of the university respond to the external environments (in this case to the state), and how they perceive their internal environment.

Surprisingly, the issue of governance in Ethiopian HE system has not been studied well. Consequently, this study will shade some light on the status of governance in Ethiopian HEIs. We
will analyze these questions in Ethiopia, where the issue of HE reforms are high on the agenda. However, to make the study more feasible, only one public university, MU, is taken as a point of reference.

Then, the central research questions of this thesis are:

1. How does MU react to the new reform of HEIs?
2. What is the relationship between the State and HEIs in Ethiopia?
3. What is the relationship between governance and autonomy in MU?

Under the first research question that addresses the relationship between the state and HEIs some dimensions of autonomy will be applied based on Estermann & Nokkala, (2009) analysis of autonomy in HEIs. These are the extent of organizational autonomy, financial autonomy, academic autonomy and staffing autonomy. It is assumed that by analyzing the degree of autonomy universities exercise, it is possible to see the relationship between the state and universities. Secondly, to understand the reaction of MU towards the new reform of HEIs set by the state, two important questions are designed. These are the governance model MU designs and the organizational structure of the university before and after the reform. Finally, to assess the relationship between the governance and autonomy in MU two relevant questions are worth analyzing. These are the governance arrangements (internal environment) of MU and its effect on institutional autonomy and the influence of the state (external environment).

These basic questions are interrelated and are intended to show how universities are functioning in relation with their internal and external environment. Besides, the study mainly emphasizes the reaction of the university towards the new reform of HE. The overall research problems are addressed by applying a conceptual framework combining resource dependency (Pfeffer & Salancik, 1978) and neo-institutional theories (DiMaggio, 1983). In addition to this, Estermann & Nokkala, (2009) dimensions of autonomy are used to analyze the autonomy of universities. The focus is on understanding and interpreting the complex interaction between the internal and external environments of the organizations or the relationship they have. Both resource dependence theory and neo-institutional theory suggest that the environment with which the organization interacts mainly shapes organizational responses. Resource dependence theory postulates that it is important for organizations to control their dependencies on resources and reduce environmental uncertainty by exercising power, control and negotiations. The neo-institutional theory, however, states that organizations survive due to conformity to external rules and norms (Pfeffer & Salancik, 1978;
Besides, it is worth to mention that various pressures and demands limit organizational choice and action, and organizations try to survive by creating certain strategies (Oliver, 1991). Therefore, a combination of these two theoretical perspectives offers information as to why and how the current practices of governance of HE prevail in Ethiopia in general and in MU in particular.

This study is carried out mainly at the institutional level. However, this does not necessarily mean that national level issues are ignored. The national level issues are rather addressed in accordance with their significance to the existence of the intuitions, since the issue of governance in HE cannot be separately analyzed without critically investigating the relationship between the state and universities.

Therefore, the focus of this study is on assessing the reaction of the university towards the new wave of governance imposed by the state and the university’s response towards its external and internal environment. To realize this the critical ingredients of HEIs governance practices such as organizational structure (authority) and institutional autonomy will be taken as the main dimensions of the study. Organizational structure is explained as hierarchical concept of subordination of entities that collaborate and serve one main aim. It can also be seen as allocation of responsibilities for different functions and processes to different entities. That is who make decisions, how and when etc. This is understood in relation to the academic communities. Institutional autonomy is the central topic of any higher education system governance (de Boer, 2003). This implies that the issue of governance cannot be detached from the issue of autonomy of the institutions that is the ability to act freely, to achieve the goals and mission that the institutions are created for. It is believed that enhancing institutional autonomy is not just a formal process of transferring authority from the national to the institutional level; it is also meant to strengthen the self regulating capacities of institutions as well as to embed the principle of subsidiarity (de Boer & File, 2009).

Hence, to analyze the extent of autonomy in MU, it is preferred to focus on the power of the university to use its human and physical resources as free as possible and its capacity to determine its own mission as well as the freedom to develop the strategies for how to achieve this mission. Last but not least, the overall relationship between the state and HE based on the prescribed principles and rules also matters a lot for the governance of HE.
1.3 Significance of the study
By thoroughly investigating various important literatures, reform proclamation documents, legislations, rules, principles and the day-to-day practices of the university, this study may have the following significances: it helps to reveal the decision-making process and structure of the various colleges, faculties, departments of MU and the power relationship they have. Besides, it will also explain the autonomy of the university in exercising the freedom in managing its financial and human resources. This study might also give suggestions to the concerned authorities (MOE, Boards, Presidents, deans, department heads etc) and policy makers to alleviate the obstacles that the university faces in governing the main academic and administrative organs of the university. Furthermore, it might contribute to the very much-limited studies done so far in the area of governance of Ethiopian HEIs especially on MU. Last but not least, it might also serve as a basis for further research and discussions.

1.4 Delimitation of the study
Governance is a wide and broad concept that has been practiced in every sector including HE system of any country. It has many elements that can be analyzed from different perspectives in the management of HE system. In other words, it is characterized by various features and conceptual frameworks characterize it. This study, however, delimits itself mainly to the status of HE governance in Ethiopia with particular reference to MU. Hence, it focuses on some dimensions of governance such as the organization of colleges, faculties and departments and their power relationships, the place where decisions are made and the methods they use to reach on decisions, the relationship between the administrative and academic part of the university and the autonomy of the university in selecting, recruiting, using its resources and setting its own mission etc., The study doesn’t have any interest in making comparative analysis between and among various universities of the country. The study is conducted in MU because, relatively, it is one of the biggest HEIs in Ethiopia. Therefore, the researcher believes that studying MU’s governance status might shade little light on the way universities are governed and the relation they have with the state.
1.5 Organization of the study

This study is organized into five chapters. The first chapter presents the background of the study. Issues like problem statement and research questions, significance of the study, delimitation, and organization of the study are included in this chapter. The second chapter mainly deals with theoretical framework of the study. Literature review of the study is presented in the third chapter. This part emphasizes showing the concept and trends of governance and autonomy in HE and the role of the state in shaping the relationship between the state and HEI. The fourth chapter focuses on methodological approach and research design. It includes sampling procedure, data collection techniques and reliability and validity of the study. The fifth chapter presents the empirical findings of the study by analyzing the documents and phone interviews conducted with some selected respondents of the university’s community. Last but not least, chapter six provides the conclusion and recommendation of the study. Besides limitations of the study and implications for further research are presented in the section.
2 THEORETICAL FRAMEWORK

2.1 The link between institutional environment and organizational response

Universities respond to their environment, whether internal or external, differently. In other words, the internal and external governance units of the organization, which are part of the institutional environment of the university, can have different influence on the activities of the universities. Internal governance refers to the institutional arrangements within universities (e.g., lines of authority, decision making processes, financing and staffing) whereas external governance refers to the institutional arrangements on the macro or system level (e.g., laws and decrees, funding arrangements, evaluations). Therefore, it can be said that governance in higher education can be defined as the process of coordinating the internal and external issues of universities.

Universities, which are considered as social actors, perceive their environment in various ways. As a result, they respond to their environment accordingly. For this purpose two theories are worth considering here. These theories are resource dependence theory (Pfeffer & Salancik, 1978) and neo-institutionalism (DiMaggio & Powel, 1983).

The main rationale to use these theories is based on the reality that organizations do not exist in a vacuum, but interact with their environment to achieve their objectives; they depend heavily on their environment for critical resources (Leisyte, 2007). Besides, it is suggested both theories share the view that organizations interact with their environment (Gorntizka, 1999). In other words, these two theories are capable of explaining the relationship between organizations and their environment. They perceive organizations as open systems (Katz & Kahn, 1966) that are interdependent from those elements of the environment with which they transact (Pfeffer, 1982).

Furthermore, it is believed that the main objective of most organizations is to reduce uncertainty and ensure survival (DiMaggio, 1983). Hence, organizational choice and action are limited by various pressures and demands, and organizations try to survive by creating certain strategies (Oliver, 1991). As a result, these two theories can help as a tool to look at the complex relationships between universities and state (external environment). Besides, in the era of shifting governance from state control to state supervision, which is becoming a world wide trend, it is wise to to see its impact on different institutional environments of HEIs. This may imply changing audience, rules, norms, and values that are likely to affect the academic activities of the university (Leisyte, 2007).
2.2 Resource dependence perspective

The resource dependence theory is a well-known theory in the social sciences to understand the organization-environment relations, which relies on a particular view of inter- and intra-organizational interactions. Its main purpose is to show how organizations act strategically and make active choices to manage their dependency on these parts of their task environment that control important resources (Gortizka, 1999; Leisyte, 2007). This theory further suggests that organizations make strategic choices to adapt to their environment. In other words, organizations face a set of possible alternatives in dealing with their environment. They are likely to respond directly or indirectly since they need the resources from their environment and it is necessary to adapt to environmental uncertainty (Leisyte, 2007; Hall, 1999). In general, the resource dependence theory stresses the dependency relations between organizations and their environment, power positions of different organizations, and strategic alternatives of those in organizational leadership (Pfeffer & Salancik, 1978).

There are few assumptions on the importance of resource dependence theory. The first assumption is that no organizations are able to generate all resources they need. Consequently, organizations are dependent on their environment for resources. Raw materials, finances, personnel, services, or production operations that organizations cannot or do not perform themselves are some of the resources (Pfeffer & Salancik, 1978). These resource providers in the environment are other organizations (Hall, 1999). Therefore, if there are several providers of resources, organizations may have choices and consequently they are less dependent on one resource provider in the environment. On the other hand, if there is only a single provider, organizations have little power to negotiate and their dependency on such a focal organization is supposed to be very high (Leisyte, 2007). In other words, such organizations are characterized by low autonomy.

The second assumption is the more dependent institutions are on resources, the less powerful they are in controlling their affairs. Basically, organizations strive to obtain power, maintain autonomy, and reduce uncertainty in the context of external pressures and demands (Pfeffer & Salancik, 1978). The third assumption of resource dependency theory is that organizational decision-makers have certain autonomy (Hall, 1999). It is believed that actors can create new niches and change dependences themselves. For instance, when universities face decreasing state funding, they try to look for new niches by diversifying their funding sources. In other words, leaders of universities start to use their power to decrease their environment uncertainties. However,
organizations can also influence their environment by making others dependent on their resources. This may be considered as another strategic choice that organizations employ to influence their environment.

2.3 Neo-institutional perspective

Neo-institutional perspective believes that organizations operate in an environment dominated by rules, requirements, understandings, and taken-for-granted assumptions about what constitute appropriate or acceptable organizational forms and behavior (Scott, 1987; Oliver, 1997). It is also considered that neo-institutionalism emphasizes the survival value of organizational conformity to institutional environment (Gornitzka, 1999). For instance, it is argued that the adoption of policies or programs is primarily determined by the extent to which the measure is institutionalized—whether by law or by gradual legitimation (Tolbert & Zucker, 1983).

It is widely believed that organizations are highly institutionalized and likely to resist changes (DiMaggio, 1983). Besides, organizations adhere to the myths in their fields; they conform to their institutional environment and hold on to external rules and norms while keeping their technical core untouched (Leisyte, 2007:39). This might imply that the neo-institutional theory considers organizations respond to changes in their environment via ceremonial compliance; mimicking other organizations in their field while de-coupling their core technical activities from organizational change (DiMaggio, 1983; Leisyte, 2007). Furthermore, according to this theory, when organizations change, they do so in the context of taken for granted norms and beliefs, thereby showing little of the active choice behavior that a resource dependence perspective would predict (Oliver, 1991). Hence, the main difference between the two perspectives is further explained by Oliver, (1997:700) “According to institutional theory, firms make normatively rational choices that are shaped by the social context of the firm, whereas the resource-based view suggests that firms make economically rational choices that are shaped by the economic context of firms”.

Therefore, the fundamental point of neo-institutional theory is its focus on the role of institutions in society. And institutions are defined as a set of ‘rules’, both formal and informal, which influence behaviors of political and social actors (Keman, 1977)
3 LITERATURE REVIEW

3.1 Institutional autonomy in HE

It is apparently clear that, whether in developed or developing nations, the issue of institutional autonomy in HE has been on the table as the main agenda of discussions. It is believed that autonomy is the crucial characteristic of HEIs (Berdahl, 1990; Clark 1983; Kohtamaki, 2009). A lot of studies indicate that increasing institutional autonomy is a key to capacitate universities to respond to the challenges in an increasingly complex and global environment (Eastermann & Nokkala, 2009). Furthermore, it is believed that the issue of academic freedom and institutional autonomy are basically important to understand the relationship between HEIs and the state (McDaniel, 1996).

However, it seems that no studies come up with a comprehensive definition or meaning of autonomy. This condition happens partly due to the nature of autonomy as a multi-dimensional concept that appears in the use of many autonomy related concepts and various dimensions within the same concept (Kohtamaki, 2009). Besides, its concept or meaning shows variations based on the level of analysis being made, that is autonomy at the basic unit, unit level, institutional level and system level (Beacher & Kogan, 1992). Moreover, the difference in historical background of various HE systems has also its influence on the interpretations of autonomy. According to Kohtamaki (2009: 69), “Historically, there are variations as to whose autonomy is emphasized, in relations to whose or what autonomy is identified, and what is regarded as the content of autonomy”. As a result, it is common to see different kinds of definitions given to the phrase-‘institutional autonomy’.

Careful looks at these definitions of autonomy in HE, however, show that they share common important ingredients. These definitions should not be opposed to each other, but rather differ in the emphasis they want to give. To start with, Askling, Bauer & Marton (1999:81) define it as follows; “Institutional autonomy is most commonly thought of as the degree of freedom the university has to steer itself”. However, this common concept does not necessarily make the task of defining the term easier. For Mora (2001) autonomy is the right of the institution to set its own objectives and manage its own affairs without interference from the state.
Autonomy in HEIs at the institutional level can also be seen as the issue of academic affairs and administration affairs. Accordingly, Berdahl (1990:123) proposed to distinguish between two types of autonomy: procedural and substantive. “Substantive autonomy is the power of the university or college in its corporate from to determine its own goals and programmes,” - *the what* of academe. “Procedural autonomy is the power of the university or college in its corporate from to determine the means by which its goals and programmes will be pursued” - *the how* of academe. In practical terms, substantive autonomy would mean the authority of institutions to determine academic and research policy such as standards, curriculum, programme offerings, research areas, staff policy, and awarding degrees or generally the academic affairs. Procedural autonomy refers to the authority of institutions in essentially non-academic areas such as budgeting, financial management, or non-academic staff and human resource management or the institutional management.

In many of the literatures on the autonomy in HEIs, the evident focus is on the ingredients of the autonomy not on the simple meaning attached on it. “There is no ideal model of autonomy, but rather a set of basic principles that constitute crucial elements of autonomy” (Eastermann & Nokkala, 2009:7). This might help to approach and analyse the status of autonomy in HEIs. For instance, for Ashby & Anderson (1966:296), the essential ingredients in institutional autonomy are:

- The Freedom to select staff and students and to determine the conditions under which they remain in the university;
- The Freedom to determine curriculum content and degree standards and
- The Freedom to allocate funds (within the amounts available) across different categories of expenditures.

Furthermore, a thorough analysis of the basic dimensions of institutional autonomy in some European countries has been made by Eastermann & Nokkala (2009). Consequently, according to Eastermann & Nokkala, (2009:40) the basic dimensions of institutional autonomy in HEIs are organizational, financial, staffing and academic autonomy. The detailed analysis of each dimension will be offered in the following sections.

3.1.1 Organizational autonomy

Organizational autonomy refers to the structure and institutional governance, in particular, the ability to establish structure and governing bodies, university leadership and who is accountable to
whom. In other words, it focuses on defining the modalities of its leadership model. However, while the academic and administrative structure is most of the time under university control, the governance structure and leadership are often strongly shaped by national level governing bodies—the state. Besides, another important element within the structure of governing bodies is whether they comprise external members and how these are selected. This might mean the selection can be carried out by the universities themselves and/or by an external body or authority (Estermann & Nokkala, 2009:7).

The ability of universities to decide on their executive leadership is another key indicator of their organizational autonomy. The university leadership often comprises several key staff members in the institution, such as the rector, the vice-rectors, the head of administration and the faculty deans. It is common to see that the law specifies the composition and the competencies of such group (Estermann & Nokkala, 2009).

Last but not least, assessing the role of the rector with regards to the governing bodies of the institution also contributes to a deeper understanding of the degree and nature of organizational autonomy. This factor is also affected by the nature of the university structure under study. For instance, if universities follow the dual structure of administration, then the rectors’ relation to the body that is mainly responsible for more long term strategic decisions, such as deciding on statutes, strategic plans, selection of the rector and vice-rectors, etc, the board; in opposition to the body mainly concerned with academic affairs- the senate is totally different.

### 3.1.2 Financial autonomy

Another significant and complex aspect of institutional autonomy is the scope of universities’ financial autonomy (Kohtamaki, 2009). In other words, financial autonomy is a crucial factor allowing universities to achieve their strategic goals. According to Eastermann & Nokkala, (2009:18) financial autonomy mainly refers to the issues-in particular:

- a. The extent to which they accumulate reserves and keep surplus on state funding
- b. The ability of universities to set tuition fees,
- c. Their ability to borrow money on the financial markets
- d. Their ability to invent in financial products
- e. Their ability to issue shares and bonds
- f. Their ability to own the land and buildings they occupy
Financial autonomy is certainly the area where the links to the other dimensions of autonomy are most obvious and can therefore hardly be considered in isolation. The ability or inability of universities to decide on tuition fees has implications for student admissions, national regulations on salaries for all or some categories of staff impinge on staffing autonomy and the capacity to freely use income directly affects the ability to implement a defined strategy. Generally it can be said that universities’ capacity to control fully and allocate their budget internally is an important element of their financial autonomy. Besides, the way in which funding is allocated is another important factor that reflects how independent universities act vis-à-vis the political authorities. Thus, it seems appropriate to conclude, if there is not certain freedom to act independently in terms of financial issues, and then the other dimensions of autonomy may as well exist only in theory.

Moreover, one of the most important factors in the financial autonomy is the method of allocating funding from the state to the universities. It has become apparently clear that the role of the state on financing its HEIs is diminishing from time to time. Hence, a huge burden is created for universities to cope up with less funding and with more students and big goals. Diminished state funding, however, can often result in greater institutional autonomy (Fielden, 2008). Besides, nowadays it also becomes a “fashion” to issue block grants for HEIs as essential ingredient of institutional autonomy. However, for universities with ‘full autonomy’ through a block grant allocation of funds the natural consequence is that they are forced to provide their funding body with genuine reports on how the money has been spent, as well as other statistics related to performance and outputs (Fielden, 2008). This means that autonomy is associated with accountability.

Many scholars believe that enhanced institutional autonomy has also implied higher level of accountability for quality assurance at the state as well as institutional levels. Accountability is also considered as an important element in the governance of HE system. This might also indicate the recognition that there is a public interest in tertiary education that needs to be matched with the advantages which institutional autonomy can bring about (OECD, 2008). With regard to this, De Boer & File, (2009:13) comment, “Greater accountability also means that HEIs have to redefine the ways in which they inform their stakeholders about their performance. Additional demands are placed on the academic leadership, which in turn requires new modes of communication with and assistance from the decentralized units (faculties, schools, institutes, departments)”.

Based on the existing situation of countries, accountability can come through a large variety of channels. For example, many countries have strict rules regulating the establishment of new institutions, accreditation system to guarantee quality standards and professional examinations to filter access to professional careers such as engineering, medicine or law. Governments also rely increasingly on performance-based budget allocation mechanisms such as funding formulas or competitive funds on the supply side or grants, vouchers and student loans on the demand side (Salmi, 2007:328-329).

3.1.3 Staffing autonomy

Staffing autonomy focuses on such matters as the capacity of universities’ to recruit their staff, the responsibility for terms of employment contracts and civil servants status (Estermann & Nokkala, 2009). However, as it was mentioned above, the ability of universities to decide on staff recruitment is integrally related to their financial and academic autonomy. As staff salaries and employment contracts are, to a great degree, determined by the financial agreements between the university and their funders and financial regulations on staffing directly impact on the ability to recruit the appropriate staff (OECD, 2008). It is also necessary to analyse staffing autonomy in relation to an institution’s academic and financial autonomy. Furthermore, staffing autonomy can also be analysed by the recruitment procedures related to the appointment of senior academic staff, the status of university employees (whether considered civil servants or not; and the salary levels of the staff (Estermann & Nokkala, 2009:40).

Hence, it can be deduced that one of the important elements of staffing autonomy is the extent to which universities have control over the financial aspects related to their staff (OECD, 2008). This includes the overall salary costs and individual salary levels, as well as the degree of flexibility universities have in the recruitment of staff (even if procedures are regulated to a certain degree). Universities’ staffing autonomy is limited whenever universities are largely unable to decide on their staffing policy, including recruitment practices, salary levels, and tenure. If these issues are set to a large degree by the public authorities, the universities are left with little capacity to control overall salary expenses, or devise incentives for attracting high quality staff.

3.1.4 Academic autonomy

Academic autonomy refers, among other matters, to universities’ ability to determine their institutional strategy. In other words, the ability of the universities’ to define their basic missions in
terms of research and teaching orientation and other activities and including decisions regarding which actions are necessary to best achieve these missions. It is clear that universities’ ability to define their institutional strategy also touches important elements of the other dimensions of autonomy and could therefore be considered as an overarching framework of all their activities. The power of universities to determine their academic profile is also another important dimension of academic autonomy. Furthermore, the ability of universities to introduce or terminate degree programmes; and to decide on the structure and content of these programmes can also be considered as essential ingredients of academic autonomy. Last but not least, the roles and responsibilities of universities with regard to the quality assurance of programmes and degrees; and the extent to which they can decide on student admissions are also the ingredients of academic autonomy of universities (Estermann & Nokkala, 2009).

The ability of universities to decide on key issues related to the selection of students (student admission) is also an important ingredient of academic autonomy. This can be analysed from the following perspectives. First, whether universities are able to decide on overall numbers of students. Second, if they can decide on the numbers of student per discipline. Third, if they have control over student admission mechanisms. Fourth, the need to comply with special quotas is also one the basic elements of academic autonomy in student selection (OECD, 2008).

Thus, in terms of academic autonomy, key issues include the ability of universities to decide on their academic profiles, especially educational responsibilities (conferring degrees in certain areas), and the ability to select students. And, one means of giving greater autonomy to institutions is granting independent legal status to HEIs. In other words, having independent legal status means that the institutions concerned are legally responsible for their functioning. Other things remain constant, universities will have at least the autonomy to raise funds and manage assets in pursuit of the foundation goals (OECD, 2009).

The dimensions of autonomy (Eastermann & Nokkala, 2009) specified the kind of actions that should be possible for autonomous HEIs. However, the main question is whether the dimensions of autonomy presented above guarantee the ‘full autonomy’ of HEIs. The answer is, they do not. This is true, mainly, because it is not the ingredients of autonomy listed by various scholars are incomplete, rather there is no such thing as absolute or full autonomy. Autonomy is a ‘relative concept’ or ‘relational’ involving the balance of power between HEIs and the government on the one hand, and between administrative and academic profession within institutions on the other (van
Moreover, Salmi, (2007:226) suggests, “increased autonomy does not mean the absence of control”. Besides, he further commented that autonomy should not be confused with total independence. Therefore, autonomy is meaningful only to the extent that it actually empowers institutions in a responsible way. In other words, Mahony, (1992:14) suggests “at least universities should be free from government interference in relation to: course content, methods of assessment, the conduct of research, the appointment of staff and the free expression of views and opinions”.

Furthermore, it seems clear that the movement towards deregulation in the governance of HEIs leads to various forms of institutional autonomy. As a result, different policies that support universities should be freed from over-regulation and micro-management while accepting that the equivalent accountability to society starts to emerge. Similarly, it is widely accepted in more policy documents that more autonomy within the HEIs will result in improved performance of those universities in particular and the HE system in general. The backbone of this argument rests on the autonomous HEIs being able to control and steer their outcomes and performance (de Boer & File 2008). Emphasising the benefit of having autonomy in a university Fielden, (2008:18) comments:

*If a group of institutions in a university system is given autonomy to respond to national policy goals as they think fit, there is a reasonable chance that they will choose different ways of reaching the same goal and that some will be more innovative than others. Had they been centrally directed, this variety would have been unlikely.*

However, there are barriers in granting autonomy to universities. These barriers partly emanate from the fear of the government that institutions are not competent enough to exercise the powers as effectively and efficiently as possible. Besides, there is also a deep rooted belief that the managerial skills of academic professors are not up to the standard to lead their institutions in the highly complex and competitive world (Fielden, 2008).

To sum up, the basic motto behind institutional autonomy is that institutions that are in a position to control their future perform better than otherwise. They can have the motive to progress if they can directly benefit from their actions; they can also be entrepreneurial and achieve the reward or they can be timed and see their competitor institutions overtake them (Fielden, 2008). Whatever the case, it is strongly argued the most significant governance trend in HE has been the widening of institutional autonomy (de Boer & File, 2009; Eurydice, 2008 and OECD, 2008).
This situation has also changed the relationship between the state and HEIs. This means the changing relationship between the state and the institutions aiming to increase institutional autonomy has been accompanied by substantial reforms. So, it can be deduced that any activities that result in the freedom or ability of any HEIs to perform and accomplish their mission and vision without unnecessary rules, regulations and or sanctions can be called institutional autonomy. Of course, however, while guaranteeing institutional autonomy and academic freedom are the basic requirements for the overall performance of the universities, it is also generally accepted that government has a legitimate interest in exercising influence on HE system (McDaniel, 1996).

Emphasizing the role of the government Moor, (1993:61) suggests:

*No country in the world has a government which does not retain some control over its universities…universities are public services. The question, therefore, is not whether government should have some control over universities, but rather, how much control and where it should be exercised.*

Therefore, it is natural to expect states to have ‘effective’ role or intervention in steering their HE system. However, the intervention might be harmful if it is done at the expense of the autonomy of universities.

### 3.2 The concept of governance in HEIs

The issue of governance in HEIs is one of the most contested issues (de Boer & File, 2009). HEIs unlike other organizations have different nature in their organizational make-up (Clark, 1983). This means that the way tasks and activities are organized and governed are different from the other public sectors and private business organizations. According to Clark, (1983:7) HEIs are knowledge intensive and their work is organized by two overlapping modes, by discipline and by institutions. It can be said that such kind of organizations that are based on knowledge creation and dissemnations need varied approach to govern the day-to-day activities and functions. That is why universities cannot be governed like “a shoe factory” (Birnbaum, 1988).

Besides, the dualities of controls existing in the conventional administrative hierarchy and the academic faculty -further complicate the governance of HEIs (Birnbaum, 1988). Similarly, the lack of clearly stated goals and agreements on the institutional goals also has a big effect on the management and governance of colleges and universities (Clark, 1983; Birnbaum, 1988). It can be deduced that “the concept that best reflects the ways in which institutions of HE differ from other organizations is governance” (Birnbaum, 1988: 4).
However, it seems that researchers in the field of HE have not come up with the common definition or concept of governance, yet. One of the differences observed in the meaning of governance is on the level of analysis researchers made. This is to mean that issues of governance at the system level and institutional level might have some differences. As a result one of the focuses of this chapter is to deeply analyze the concept of governance in the context of HE.

Plenty of definitions of “governance” in the context of tertiary education can be found in the literatures (Goedgebuure & Hayden, 2007). These variations come partly through the level of analysis made (Amaral, Jones & Karseth, 2002) and the type of institutions under study. Moreover, it is also apparent that the working definition of governance varies to some extent by authors (Amaral, Jones & Karseth, 2002). Emphasizing the variations in the definition of governance, Birnbaum (1988: 5) states; “there is no single and generally accepted definition of governance; as a result it has been variously discussed in terms of structure, legal relationships, authority patterns, rights and responsibilities, and decision-making processes.”

For instance, for Maassen, (2003), governance is considered as a set of institutions which government uses to govern society. This is to mean that the government has the right “to exercise collective control and influence over the societies and economies for which they have been given responsibility” (Peters 2001:1). Neave (2006: 67) defines it as being “a conceptual shorthand for the way HE systems and institutions are organised and managed”. Besides, Toma (2007:58) defines governance as being: “both as simple and as complicated as responding to the question: who makes what decisions?”

Moreover, underlining the institutional level governance, Birnbaum, (1988) also clearly indicates that it is the structure and processes through which university’s communities interact with and influence each other. Similarly, for Amaral, Jones & Karseth (2002: 279) the issue of governance concentrates on a series of questions related to the role of HE in a specific context: “Who decides? How do they decide? What do they decide?” They also share the view that “Governance is the notion of the relationship or dynamic interaction of bodies and groups operating at different levels of a HE system.” All the decisions are nothing but the administration of the core tasks of academic work: teaching, scholarship, and research (Dill, 2000). Therefore, according to Dill (2000:10), “the focus is on the strategies by which these types of issues are resolved within the HEIs”. Moreover, (Edwards, 2000 in Reed, Meek and Jones, 2002: xxvii) offer an operational definition of
governance “as a tool of how organizations steer themselves and the processes and structures used to achieve their goals.”

More comprehensive definition of governance is given by, Marginson & Considine (2000: 7):

> [Governance] is concerned with the determination of values inside universities, their systems of decision-making and resource allocation, their mission and purposes, the patterns of authority and hierarchy, and the relationship of universities as institutions to the different academic worlds and the worlds of government, business and community.

Hence, in an effort to substantially understand HE, the issues of governance are the central core elements (Amaral, Jones & Karseth, 2002). However, these issues of governance are not only circumscribed by the internal arrangement of universities, but rather they go far from the control of the universities.

Governance, apart from the management of resources within the universities themselves, also incorporates relationship with the state. This relationship between government and HE is revealed in activities like funding, steering mechanisms and accreditation. For Gornitzka, Kogan and Amaral, (2007:208), therefore, “governance refers to the efforts of a government to affect (regulate, steer, coordinate, control) the behavior of citizens and organizations in the society for which it has been given responsibility.” This is a clear indication that governance is both institutional and governmental business, because without the involvement of the two parties establishing effective organizational setting is difficult if not impossible. Therefore, what we mean by governance in HE often depends on the level of analysis: e.g. national, local, institutional, sub-unit or discipline level (Reed, 2002).

To have a thorough understanding of governance arrangement of a particular HE system, it is important to use Clark’s (1983) basic notion of levels of authority as organizational tool. These are, the under-structure (basic academic or disciplinary units), the middle or enterprise structural (individual organizations in their entirety), and the superstructure (the vast array of government and other system regulatory mechanisms that relate organizations to one another) or the natures of relationship between the state and the institutions of HE are revealed. According to Reed, Meek and Jones (2002: xxvi), “the dynamics within each level and the interaction between levels, differ according to context.” Using the work of Clark (1983) Reed, Meek and Jones (2002: xxvi) also argue, “the context depends on where HEIs are located within a triangular field of governance represented by academic oligarchy, state authority and the market”.

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Therefore, it can be deduced that what one sees in HE depends on where one looks, and HE governance is frequently understood and defined in different ways at different levels of HE system (Amaral, Jones and Karseth, 2002). In other words, it can be looked at from various perspectives and can be defined in various ways. Though there are variations on the exact definitions of the word governance among the experts in the field, most of them share the common elements of governance. Workable definition, which this study is based upon, is given by Maassen (2003:32), “governance is about the frameworks in which universities and colleges manage themselves and about the processes and structures used to achieve the intended outcomes—in other words about how HEIs operate”. However, currently governance arrangements that were widely used before tend to be substituted by new form of governance modes. This phenomenon might lead us to analyzing the type of shifts in governance and their characteristics and the reason behind the new modes of governance.

3.3 Changing role of states in governing HEIs

It is apparent that the world’s HE dynamic has been changing fast. Moreover, the changes are diversified in nature. The changes start from the mission and goals of the universities, the student body enrolled, the type of research carried on etc., and to the way they are governed. The changes also become very complex because of the multiplicity in the number of public and private institutions. As a result, the relationship between the state and HEIs differs markedly among states and period of time. In other words, it is true that the role of the state in governing HE has been changed. Similarly, as the demand for HE continues to grow and as governments acknowledge their role in promoting the economic development, it becomes increasingly important to ensure that higher education systems are managed in an effective and different way (Fielden, 2008).

These situations lead us to understand that the task of governing HEIs is changing. As the system grows and increasingly becomes more complex, the old model of total control from a central MOE proves to be unsustainable in the long term and is being replaced throughout the world by other models (Fielden, 2008). It is taken for granted that states are in position to govern the way individual universities run their activities. It is also understood that since remote civil servants cannot do the management of very complex academic communities effectively, then the task should be left to institutions themselves. Giving them autonomy recognizes that their management needs are different and allows them full exercise of their academic freedoms. The constraints of a
centrally managed a system that needs to be flexible and responsive has become clear (Fielden, 2008).

Hence, the current trend in most countries regardless of their level of development is moving from the “state control model” to the “state supervisory model” in all aspects of their relationship with universities (Maassen & van Vught, 1994). This implies that there is a continuum at the one end of which is the “state control model” where the centre seeks to control its universities, and at the other end is the “state supervising model” where the state monitors and regulates them (Neave & van Vught, 1994). This is to mean that, the “state control” model (also called “rational planning” model) is characterised by strong confidence in the capabilities of governmental actors and agencies to acquire comprehensive and true knowledge and to make the best decisions. Besides, these governmental actors try to steer an object by using stringent rules and extensive control mechanisms. They see themselves as omniscient and omnipotent actors able to steer a part of society according to their own objectives. To state it differently, the state control model treats higher education as a homogeneous enterprise, with government attempting to regulate all aspects of the dynamics of the higher education system: access, curriculum degree requirements, the examination system, appointment and remuneration of academic staff, etc. The state control model does not recognize the loosely coupled, multidimensional character of HEIs (van Vught, 1993).

In “state supervising” model (also called “self-regulation” model) monitoring and feedback are emphasised. Crucial to state supervising model is that a decision-maker should only pay attention to a small set of critical variables that should be kept within tolerable ranges (van Vught, 1989; Neave & van Vught, 1994). In this model, government is predominantly an actor that watches the rules of the game played by relatively autonomous players and which changes the rules when the game is no longer able to lead to satisfactory results. In other words, in the state supervising/facilitatory model, the influence exercised by the state is weak, with many of the basic decisions on such matters as curriculum, degrees, staff recruitment, and finance, left to the institutions themselves. The state sets broad parameters in which HE operates, but fundamental decisions about missions and goals are the province of the system and its individual institutions (OECD, 2008: 69). However, the shift towards the state supervision model has had some side effects. While giving HEIs more autonomy, governments are highly interested that these institutions enhance their internal efficiency and effectiveness and institutionalize the measures to assure accountability and quality (OECD, 2003; Fielden, 2009).
Governance in HE has various typologies. For instance, a governance typology that focuses on the administrative strategies of the “New Public Management” (NPM) or the “new managerialism”, which have characterised reforms on the governance of public services in OECD countries in the last two decades. They arrive at a “cube of governance” in higher education, which mixes various governance models, and the new managerialism model. Distinctions are made between a tight and a loose administrative control of universities by policy-makers (procedural dimension) and a tight and loose goal-setting capacity of government in matters of education and research (substantive dimension). Another dimension relates to the “political culture” of countries concerning the role that HE systems should play as part of the public service system, from “non-utilitarian culture” to “utilitarian culture”) (Braun & Merrien in OECD, 2008:69; Clark, 1983; van Vught, 1993).

At a face value, such classification might suggest governance has two dimensions: procedural and substantive ones. Procedural dimension includes financial and management capacities of universities as well as aspects of personnel policy (e.g. setting of salaries; creation and suppression of posts) and student policy (e.g. selection of students; level of tuition fees). Whereas, substantive dimensions include the freedom to establish courses, choose the content and methods of courses and research, define organizational goals vis-à-vis environment; choose the personnel and students according to organizational and academic goals and standards; and the choice of research topics (OECD, 2008). These two dimensions of governance are similar with the dimensions of autonomy set by Berdahl, (1990).

Such shifts of governance basically result in institutional autonomy in universities where the role of the state is only limited to some areas. The key control by the state is to measure institutions’ performance against their agreed institutional strategy (Fielden, 2008). However, there is always a conflict of interest in terms of priority whose objectives comes first and bold between the universities and the state. On the one hand, universities want to focus on the pursuit of knowledge as a self-determined institutional objective and on the other hand, achieving the national (economical, social and political) priorities of the country is also emphasised by the state. However, this tension can be resolved by keeping the appropriate balance OECD, (2008:71):

*The objective, from a governance point of view, is then to reconcile the priorities of the individual institutions and the broader social and economic objectives of countries. [...] The governance challenge is then to achieve the appropriate balance between the governmental steering and institutional autonomy in the pursuit of a better alignment between institutional initiative and the nation’s economic and social development goals.*
This implies that the appropriate role of the state in governing HEIs determines the outcome. It is widely accepted that the state has a decisive role in promoting the desired outcomes in HE system of any country. It is the state that can set the rule of the game by ensuring appropriate levels of competition between various HEIs as a stimulus for effective and efficient performance and by ensuring that the tertiary education system is relevant and up-to-date that can fit with the current situation of the world nationally and internationally. By and large, the responsibility of the state is to set national goals, define the rules of the game and the regulatory framework within which the different actors in the system can perform most effectively (Fielden, 2008; OECD, 2008).

In one way or another all these arguments suggest that the role of the state has been changed from high interventions to steering from distance by giving universities relatively high degree of autonomy. This practice of steering entails that the state devises an incentive structure that shapes the behaviour of tertiary education actors towards national policy goals. It is associated with a less interventionist and more “facilitative” role for the state (which defines the national goals, establishes the incentive structure, and monitors the outcomes) giving more discretion for institutions over a greater number of areas. More importantly this steering of HEIs from a distance involves various strategies that aimed to increase the performance of universities (OECD 2008:74).

Some of the strategies that are considered to be influential are mainly associated with the usage of resources. For instance, this steering strategy involves employing agreed instruments, particularly resource allocation, to promote greater co-ordination and rationalisation, improved quality, efficiency and results (OECD, 2008; Fielden, 2008). Furthermore, typical instruments to guide the system from a distance and encourage institutions to adhere to national priorities and objectives are performance-based funding for teaching and learning activities; targeted funding to achieve explicit objectives (e.g. development of partnerships with the surrounding region); competitive research funding; performance evaluation; objective-based contractual arrangements with institutions; and publications of information on institution’s performance (OECD, 2008).

Furthermore, it is considered that an explicit implication of steering is that it demands improved human, material and technical capacities within educational authorities for better tertiary education co-ordination, planning and evaluation. Steering also involves the monitoring of outcomes (OECD, 2003). However, all these changes are not simply without challenges. The governance of HE experiences some difficulties related to balancing the needs. If HE is indeed an important strategic lever for governments in seeking to pursue national objectives, can governments achieve those ends
without compromising the independence of universities, or their dynamism in catering for new markets (OECD, 2003). This important question leads us to investigate the rationale behind the “effective” intervention of government in HEIs. Some of the arguments for the continuing intervention of the state are in the fact that HE produces wider social and economic benefits than those captured directly by the individuals involved, and that therefore without government subsidy there would be under-investment in HE. Equity considerations necessitate steps to ensure that low-income students are not disadvantaged and that student, employers and the wider society need to have confidence in the quality of HE qualifications (McDaniel, 1997).

However, these arguments do not mean that the state must be the sole decision maker about all the functions of the universities. But rather, it indicates that government is withdrawing itself from direct management of institutions, while introducing new forms of control and influence, depending mainly on demanding institutions accountability for performance via powerful enforcement mechanisms including funding and quality recognition (OECD, 2003).

3.4 Governance models and their implications

The success and strength of HEIs is determined by the ability of universities to design their strategy, identify priorities, set the teaching and research activities, and posses their organizational structure to cope up with the fast changing environment (OECD, 2008). So, this may imply that the way universities are governed at system and institutional level matters a lot for the effectiveness of universities. Throughout the history of HE, various kinds of institutional governance have been implemented based on the national policy and interest of countries and the existing situations. Institutional governance is the process of the formal and informal arrangements that allow HEIs to make decisions and actions World Bank, (2000). The type of institutional governance model that various countries follow is a reflection of the countries’ national economic and political situation.

Therefore, an institutional governance model of a particular country may not be exactly similar to with other countries’ governance model. Consequently, various governance models are developed that effectively characterize the situations of HEIs in different countries. This implies that researchers try to develop their model mainly based on the processes of decision making in most universities and the freedom or autonomy universities have in pursuing the ‘natural’ functions-teaching, research and community services. For instance, one of the most influential conceptual models of governance is known as Clark’s triangle (1983).
a. *Academic oligarchy* (Clark, 1979), corresponds to the traditional academic model of collective collegial decision-making. In this approach, emphasis is placed on protecting professional autonomy and control over academic work and standards in the hands of those permanently involved and most intimately acquainted with it. According to Berdahl (1999), a possible drawback of this model is to put too much emphasis on the protection of autonomy to the detriment of responsiveness to the public interest.

b. *Market co-ordination* (Clark, 1979), corresponds to a model of co-ordination emphasising freedom of choice for personnel, clientele, and institutions, and thereby indirectly promoting flexibility and adaptability. Management is delegated to executive groups, but within a corporate policy context set by the rectorate or other central bodies. In this approach, emphasis is placed on responsiveness to social demands and accountability. A possible drawback of this model is to suppress public control over which HEIs and programmes may survive during periods of increased competition (Berdahl, 1999).

c. *Bureaucratic co-ordination* (Clark, 1979), corresponds to a model of co-ordination providing for the administration of fragmented parts, with a hierarchy of decision-making bodies but common regulations and procedures. In this approach, emphasis is placed on accountability. A possible drawback of this model is its being insufficiently receptive to the needs of academics for creativity and flexibility (Berdahl, 1999).

d. *Entrepreneurial university* (Clark, 1998), this corresponds to an intermediate mode of co-ordination between the state and the market. In this approach, conceptual models share an emphasis on the need for adjustments to the traditional academic model of collective collegial decision-making in the new environment of HEIs, and for stronger institutional leadership.

The movement towards increasing institutional autonomy and accountability forced HEIs to perform effectively and efficiently. This directly or indirectly implies that universities are under big pressure to reform their traditional models of governance. Nowadays, HEIs in most countries seem to realize that they cannot progress with the traditional collegial authority structures and slow decision-making processes. As a result, they are responding gradually and slowly to the new challenges of the environment of HE.

Furthermore, Birnbaum, (1988) came up with other models of governance for HEIs, though they share some common elements with Clark’s. These models are collegial, hierarchical, political, and anarchic. In the collegial model, the entire faculty works out decisions jointly and power is
decentralized. In the hierarchical model, individuals (administrators) make decisions and power is centralized. The political model is characterized by decision-making based on negotiating strength and decentralization of power. With organization anarchy, decisions are made rather arbitrarily (Birnbaum 1988; Panova 2008). Hence, identifying governance models might help to understand how decisions are made, who makes them and for what purposes in higher education institutions. It is worth to discuss these governance models in detail.

1. **Collegial model.** This is considered to be the most traditional model of university governance and similar with Clark’s academic oligarchy (1979). It assumes that academic staff should principally govern university (Birnbaum, 1988). This usually occurs either by granting expansive governance powers to university senates or by significant faculty representation on boards of governance, or both (see Moore, 1975; Strohm, 1981; Griffith, 1993; Trow, 1998). The basic reasons behind this model are that academic staff are the most likely to understand the academic goals and aspirations of a university and how to achieve them (Evans, 1999). Decisions are made based on long negotiations among the faculty. The main idea is that the faculty is sufficiently competent and interested in governance and can govern the university’s operations themselves. They do not need a strict hierarchy to coordinate their actions. In such an organization, power is distributed among faculty representatives who are chosen by the faculty at large.

However, this model is not free from criticism for its deficiencies. One of the shortcomings of this model especially as the structure of a university grows more complicated, is that the decision process can take a long time and consequently will take a lot of time away from the faculty’s primary work. Thus, the costs of seeking a common decision may be high (Panova 2008; Goedegebuure & de Boer, 1996). On the other hand, the goal of such an organization and the decisions made by it are common for the entire faculty. In this case, operations within the organization take place based on generally accepted norms. Consequently, the motivation costs are low. With some recent changes, the collegial approach now implies a model in which stakeholders—the faculty, administration, and students—participate in governance and have significant rights, while the decision-making process is of the same collegial nature.

2. **Hierarchical model.** This model in HEIs is more or less related to Weber’s description of a bureaucracy. It focuses on the authority relationship among different levels of the organization. Besides, it is characterized by the presence of hierarchy, delegation of authority, and uniform rules for the institution’s operation. According to this model, the organization’s goals are clearly
specified, and the leadership makes all of the most important decisions. In this case, power is concentrated in someone’s hands (usually the administration’s). Decisions are made quickly. Coordination within the organization is accomplished through a hierarchy, so the coordination costs are low. However, problems may arise at lower levels of the hierarchy carrying out the decisions that have been made, so the motivation costs are high (Panova, 2008:80).

3. Political model. This refers to bargaining and negotiation of universities with different stakeholders. The faculty organizes coalitions, in the hands of which power is concentrated. Coordination is accomplished on the basis of power. Rather than a common goal pursued by everyone or imposed on everyone, the “personal” interests of individual coalitions are realized. In such situations, decisions are made based on negotiations. The costs of seeking a decision are high, since the decision-making process can be long and may require high expenditures. Decision-making takes place at many levels of organization, depending on the nature of the problem, the interested groups, and kinds of conflict. Force has to be applied to back up the decision that is made, so that motivation costs are high. The political model is focused on conflict resolution procedures. It can also be argued that political model is well suited to describing the process of dividing up the budget when resources are scarce (Pfeffer & Salancik, 1974). They compared the bureaucratic model with the political one. By the bureaucratic model, they mean the presence of clear, comprehensible instructions for dividing up the budget in order to achieve the university’s stated goals. By the political model, they mean clear instructions for the purpose of supporting coalitions and their goals (Panova, 2008:82).

4. Anarchic model. It seems to be totally on the opposite side of the hierarchical model of governance. This model became popular in the 1970s—that of an anarchic organization. The authors of the anarchic model Cohen & March (1972) found that the main traits of organizational anarchy are characteristic of a number of universities. First, contradictory goals and preferences are prevalent in HEIs. Besides, there are no unified structures of preferences. Second, most stakeholders do not fully comprehend the relevant organizational and technological processes. Third, the faculty’s participation in various aspects of the institution’s operations (as measured by the amount of time and efforts) fluctuates. In such organization, decision-making fairly often occurs randomly. There is no clear governance structure; coordination and motivation costs are considerable (Birnbaum, 1988). Many researchers note that such a model is characteristics of universities headed by a weak leader.
To sum up, having critically analyzed all the governance models it can safely be concluded that practically no single model can be observed in pure form (Mignot-Gerard, 2002; Birnbaum, 1988). In other words, they are complementary in nature. For instance, the hierarchical model most accurately reflects the way that administrative organizations, including HEIs, function, especially in the absence of serious problems. According to the collegial model, an educational institution can develop successfully if there are no significant disagreements, and a number of issues can be resolved administratively. The political model is realized primarily when stakeholders’ interests are mutually contradictory and when problems arise that cannot be solved administratively or collegially. Moreover, these three models are by no means mutually exclusive. Each is focused on different aspects of the institution’s operations. At the same time, in some universities organizational anarchy can be found in certain stages of their development. Thus, different models of decision-making can coexist in the same university.

3.5 Governance reforms towards effectiveness and efficiency

The principal ideals about the organization and governance of HEIs have changed over the last few decades. This means the way in which organizational and decision-making structures within universities are set differently. The reasons for the continuous change are mainly determined by two broad sets of ideas about university governance. Based on Bleiklie & Kogan, (2007:477), “the first reason is considering university as a republic of scholars, whereas the second regards the university as a stakeholder organization”. In the former, institutional autonomy and academic freedom are seen as two sides of the same coin—which means that leadership and decision-making are based on collegial decisions made by independent scholars. In the latter, institutional autonomy is considered as a basis for strategic decision-making by leaders who are expected to see it as their primary task to satisfy the interests of major stakeholders and where the voice of academics within the institution is but one among several stakeholders (Bleiklie & Kogan, 2007). Therefore, the outsiders or stakeholders mainly influence academic freedom and institutional autonomy of universities. This implies that the state has a big say on the governance of HEIs though in different way than used to be.

Consequently, wide governance reforms of universities have been implemented in different parts of the world. The important question to ask here is about the purpose of all these reforms. Reforms are mainly to introduce new changes and to bring about effective and efficient services to the
society. In other words, universities are expected to be more responsive, more effective and more efficient. Consequently, this might imply that a more direct and dynamic interaction between universities and their environments is necessary, and an important condition for this to be realised is the professionalization of institutional management and governance structure (Clark, 1998; Olsen and Maassen, 2007).

One of the reforms that have been introduced widely in the governance of HEIs is known as New Public Management (NPM). NPM and mangelialism characterize the current features of university reform (Stensaker, Enders & de Boer, 2007). Across the world, in the last decades with different degree of intensity, the general characteristics of these reforms are shown in the increased emphasis on performance and output, and the introduction of systematic evaluation activities for checking whether the stated objectives are met. Among other trends associated with NPM are: greater formalization of roles and responsibilities especially concerning leadership, often combined with stronger task specialization; more power to the consumers and users of public goods; decentralization of tasks from the central level combined with increased institutional autonomy; increased competition between public and private organizations; and privatization of public service by transforming public enterprises into stock companies (Lane, 1997: 9).

Undoubtedly, these trends have brought various changes in the overall governance arrangements of universities. One of the most obvious and important consequences for the institutional governance structures concerns the changes in the distribution of authority in the form of the decentralization of tasks from the government to the HEIs (see e.g., Amaral, Jones and Karseth, 2002; Whitchurch, 2006; Taylor, 2006). This may imply that the main objective of these reforms have been to involve the main stakeholders of the universities to give them an opportunity to have the real power and authority to lead and govern the universities. This in turn led to an increase in institutional autonomy.

Furthermore, the role of the state in governing HE has been redefined. Stronger management of the public sector consists of the transformation of the public sector into a more restricted and managed one. Efficiency, value for money and ensuring strong management were concerns for politicians and policy makers in the university sector as in the other public services. Universities were expected to increase their productivity, to develop new missions and in particular to achieve a leading role in technology transfer and innovation, to reduce their operating costs, to improve their dropout rates, to match the demands of the job market and to pay attention to the societal needs
Granting autonomy for universities has been considered as the main tool for realizing such missions and goals.

Thus, the effects of these reforms led to significant changes in the balance of power within the HE sector. For instance, senior management and non-executives’ power bases were strengthened. On the other hand, public sector trade unions and faculty lost power. The State intervened more actively in the HE system and in a more self-condense manner (Ferlie, Musselin & Andresani, 2008). However, it must not be forgotten that state also works to democratize the traditional forms of public administration. This is to mean that strong staff, student and stakeholder’s participation in the governance of the institution has been manifested (Ferlie, Musselin and Andresani, 2008).

More importantly, the state is also loosing its function, legitimacy and authority to various stakeholders. The effect of globalization can be mentioned as one of the main reasons. Consequently, HEIs operate in regional, national and international networks simultaneously and have to engage in a wide range of different stakeholder groups. States remain as referee rather than intervene directly in the business of HEIs (Ferlie, Musselin and Andresani, 2008).

3.6 Governance structures and challenges in HEIs

Currently universities are functioning in very dynamic environments, which seem to be in grand contradictions (Clark 1998:146). They have, for instance, to do more and more with less money, to maintain the expanding cultural heritage with the best of the past and at the same time quickly develop new fields of study and modes of thought while responding to everyone’s demands because all are ‘stakeholders’ (de Boer, 2007:43). It is not only the external world that has been putting influence on the performance of the universities, but also their internal nature of the universities creates substantial influence on their survival. To come up with solutions for the aforementioned contradictions and problems, and to function effectively and efficiently in the competitive world, universities should have an organizational structure that is able to swiftly respond to this rapidly changing environment (de Boer, 2007).

Various solutions come up from different perspectives to alleviate the challenges universities face currently. For instance, the neo-liberalists towards the public sector (NPM, managerialism and the like), argue that responsiveness, adaptiveness, entrepreneurialism and flexibility are essential strategies for organizations, both public and private, to survive in turbulent times and situations.
They believe that traditional models of university governance, such as the British and Continental models (Clark, 1983), have become obsolete and unfit for rapidly changing environments. They believe that a fundamental change is needed in the way universities are run (de Boer, 2007).

Despite the fact that there are differences in the new rules of institutional governance and management from one country to another, most reforms amounted to the NPM approach or managerialism, to strengthen the executive leadership at the central institutional and faculty levels at the expense of diminishing the powers of senates, councils and assemblies where elected members usually represent staff and students. These changes have been based on the assumptions that decision making authority within universities should be less dispersed and should be in the hands of those who are ‘qualified to rule’. This development of NPM has had a direct influence in the governance of HEIs.

Regardless of the degree of variations observed in implementations, most countries in one way or another are moving and reforming towards business like administration in their universities. However, it is not always free from tensions. It is argued that business like administration becomes less participatory, as few individuals care about or are involved in campus academic governance. Academics and students have been less enthusiastic (Williams et al., 1987). Besides, it is also criticized that the centralization and concentration of power reduces their opportunity to participate in (strategic) decision-making, which may have negative implications for the university’s viability. Consequently, bypassing academics and students may affect both the quality of decisions and the university’s capacity to implement policy (de Boer 2007).

Furthermore, over the past four decades HEIs have faced increasing complexity related to governance (see Berdahl, 1991; Birnbaum, 1988; Kezar, 2000; Leslie and Fretwell, 1996). More precisely, universities in various parts of the world are now experiencing greater competing priorities and demands to participate the community, business, and industry; to alleviate social problems and improve the schools; to generate cutting edge research and innovations to fuel the economy; to develop a more just and equal society by preparing a diverse student body, while having fewer funds, more demands from students, and an increasing complex legal environment (Hill, Green & Eckel, 2001; Kezar, 2000).

Furthermore, Kezar & Eckel (2004: 371) have summarized three significant changes in the environment within the last decades that have made governance more problematic:

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1. The need to respond to diverse environmental issues, such as accountability and competition;
2. Weak mechanisms for faculty participation, mass faculty retirement with close to half of the faculty retiring in the next ten years and a more diverse faculty entering the professoriate; and
3. The need to respond more efficiently based on shorter decision time frames.

Apart from this, key challenges that universities face currently include efficiency, effectiveness, participation, leadership, and responsiveness to the environment (Schuster et al., 1994).

3.7 The relationship between governance and autonomy in HEIs

The relationship between the state and universities has been significantly redefined mainly due to the expectations on the contribution of HEIs to society (OECD, 2008). Despite the magnitude of the changes, a shift from government to governance has been observed in the steering of HEIs of many countries. One of the features of shift in governance has been observed in the deregulation. Deregulation is seen as the overarching governance of HEIs in the last two decades since it enhances institutional autonomy (De Boer & File, 2009). It is apparent that the typical characteristics of governance in HE is widening of institutional autonomy. Therefore, any activity aimed to change the governance of HEIs, in one way or another results in increase or decrease of institutional autonomy of the universities.

The relationship between governance and autonomy in HE can be seen in the effect autonomy brings to the functioning of universities. Some studies tries to show that there is a tendency towards uncertain balance between the autonomy and accountability in HE systems and the strengthening of managerial governance. For instance, greater institutional autonomy results in higher level of accountability (de Boer, 2003). Besides, it may also be associated with detailed procedures for quality assurance. In other words, this shows that the reduction of direct state control of HE and the introduction of new forms of supervision and influence through accountability mechanisms (OECD, 2008). This also further results in redefinitions of HEIs role in informing the stakeholders about their performance. de Boer & File, (2009: 13) suggest:

Additional demands are placed on the academic leadership, which in turn requires new modes of communication with and assistance from the decentralized units (faculties, schools, institutes, departments). The oversight of the higher education institution’s primary activities has been increasingly centralized within the institutions, with new lines of reporting and new rules and procedures for academics to ensure the quality of the higher education institution’s primary processes – teaching and research. In many cases this has led to a further rationalization of higher education institution’s decision-making structures and in many cases also has implied putting in place new ‘hierarchies’ in which institutional leadership holds a central role.
This implies that the devolution of authority that results in institutional autonomy might also bring about another factor that deters the autonomy of the institutions, at least at the institutional level.

It is commonly stated that the type of governance model a particular country follows determines the extent of autonomy of HEIs’ possesses (Panova, 2008). In other words, the level of autonomy gained by collegial oriented university, focused on decisions that are made by peers is not the same as universities that follow hierarchical governance model with stringent rules and regulations characterized by rational decision making process. The same is true for the other governance models.

When we analyze some governance models, it becomes apparent that their main differences and similarities lie in the autonomy they give and deny to the universities. For instance, collegial governance model grants autonomy to universities to exercise independently in academic and administrative affairs. Besides, politicians do not take part in their internal affairs, whose goals are to acquire new knowledge and to hand on existing knowledge from one generation to the next. In this model decisions are made through a dynamic consent. However, this model is no more in practice these days with the emergence of national states and fixed rules and procedures to control universities as a consequence of their huge financial aids and their recognition of university degrees as the main way to get into the state bureaucracy (Lazzeretti & Tavoletti, 2006).

The bureaucratic governance model is characterized by loose substantial control and tight procedural control. In other words, it involves tight procedural control from national government, and substantial freedom of academic personnel regarding the programs, research and management of universities. Besides, government legislation is a decisive factor in managing, in detail, the university internal ruling governance and the whole national system along with formalized dynamics of consent. This implies that university leadership is taken by academics and supported by administrative personnel whose main function is to check that universities respect the law.

The market governance model is, however, characterized by loose substantial and procedural control. In this case national state legislations no more dictate to the universities. Universities are free to manage themselves. This type of governance mainly focuses on giving high autonomy to universities to carry out their academic and administrative affairs.
However, nowadays a new model called ‘new managerialism governance model’ has emerged. Unlike the market model it has the feature of loose procedural control and tight substantive control. This implies that universities adopt entrepreneurial spirit and take advantage of the new procedural freedom or autonomy. This model mainly encourages the concentration of decision-making powers in few bodies: the board of directors, at central level, and the dean in each faculty. Hence, in an effort to understand autonomy of HEIs, it is advisable to see their governance model they follow. However, the challenge is that universities do not follow one type of governance model; rather they incorporate various approaches to govern their academic and administrative affairs. As a result, their status of autonomy also fluctuates depending on the governance models they adopt.

Furthermore, the basic principles of university governance have shown a tremendous change since late 1980s. This means that the way in which organizational and decision-making structure organized within HEIs are being changed. Two broad sets of ideas about university governance are the main reasons behind the governance and autonomy change of universities. One of the first reasons is the concept of university as a “republic of scholars”. The governance model that is exercised with such kind of understanding of university might imply that institutional autonomy and academic freedom are seen as two sides of the same coin. In other words, leadership and decision-making in such kind of universities are based on collegial decisions made by independent scholars. The second reason is taking university as a stakeholder organization (Bleiklie & Kogan, 2007). In this case, institutional autonomy is taken as a basis for strategic decision-making, by leaders who are assumed to see it as their primary task to satisfy the interest of major stakeholders and where the voice of academics within the institutions is but one among several stakeholders (Bleikiklie & Kogan, 2007). In a word, the interest of the other stakeholders determined academic freedom. Besides, such universities are characterized by hierarchical structure of decision-making where the leaders are with the real authority to make and enforce strategic decisions within the universities.

The shift in governance has also its own effect on the autonomy of the universities. Adapting the works of Clark’s (1983) triangle of coordination van Vught (1989) simplified it by reducing into two possibilities: “the state control model and state supervising model”. This classification in one way or another affects the autonomy of the universities. In other words, it clearly depicts the power that the authorities of the universities have in accomplishing their missions. For instance, in the state control model the state intervenes in regulating access conditions, the curriculum, degree requirements, the examination system, and the appointment and remuneration of academic staff. However, the academic community possesses significant amount of authority in the regulation of internal
university affairs, especially concerning the content of education and research (van Vught, 1989). Thus, it can be safely concluded that autonomy in this model is negotiated between the government and the university. To state it differently, authority is shared among academics and the state. Besides, the administrative part of the universities and internal management are weak and subordinated.

In the state-supervising model, on the other hand, the state has the low authority. In this model, power is shared between the academic community and the internal management. The role of the state is to influence from the distance. The main task of the state, in other words, is to supervise the HE system, in terms of assuring academic quality and maintaining a certain level of accountability. According to van Vught (1989:333), “the state does not intrude into the HE system by means of detailed regulation and tight control”. Therefore, this governance model can result in relatively better academic freedom and institutional autonomy.

Thus, the relationship between governance and autonomy emanates mainly from the type of decision made at each level, the national policy of the particular countries and the culture and trends in the universities. It is difficult, if not impossible, to talk about governance of HEIs without autonomy and academic freedom of the institutions and vice versa. Therefore, any attempts to study governance cannot ignore the issue of autonomy. The important question in here is how the particular governance model that universities follow determines the institutional autonomy and academic freedom of the universities. This question will be addressed thoroughly in this study.
4 METHODOLOGY

4.1 Research design and methodology
A case study method was employed because it is found convenient to show the existing situations of governance in the area under study. Besides, a case study is mainly suitable to examine a particular program, an event, project and institutions in detail (Patton, 1987; Merriam, 1988). In other words, it is an in-depth examination of a single instance of particular phenomena (Babbie 2007). The definition of the unit of analysis and then ensuring that this unit of analysis is compatible with the research objectives of the study is one of the key design issues in case studies (Gray, 2004:128). More importantly, unlike many other research designs, a case study does not rely on any particular method of data collection or data analysis. Therefore, any methods of data gathering can be used in a case study (Merriam, 1988; Yin, 2007). In addition to its relevance in the field of education, case study can be defined as an intensive, holistic description and analysis of a single instance, phenomena or social unit (Merriam, 1988). For instance, various types of documents, archival records, interviews, field observations, participant observation etc., can be considered as some typical examples of multiple sources of evidences for case study (Yin, 2007; Merriam, 1988). Thus, to substantiate the case study this study mainly relied on documents. Besides, semi-structured phone interviews were also part of the method. The choice of this methodology is justified by the research question. Besides, this method is mainly important to clearly depict the status of governance of higher education in Ethiopia in general and in MU in particular so as to come up with important findings.

4.2 Sample population and sampling techniques
MU at present has 6 faculties, 1 school, 1 college and 44 departments. All these faculties and colleges are found in 4 different campuses in the town and in the outskirts of the town. 

_Endayesu_ campus which is the biggest of all incorporates Dry land agriculture and natural resources management, Science and technology, Education, Veterinary science, Languages and Journalism and arts; _Adi-Haki_, which is the second largest campus, embraces Law school and faculty of Business and economics; College of science is found in the _Aider_ campus; and the newly built _Kelamino_ campus for faculty of Veterinary is found in the outskirts of the town.
In all the campuses there are 650 lecturers or academics which is 10% of the overall numbers of lecturers in Ethiopia and 256 administrative staff members that are led by the vice president for administration and development and eight board members (MOE, 2009).

However, vastness and similarity of the study area forced the student researcher to involve two faculties and two departments. One faculty from the social science and one from natural science fields were involved. From each faculty one department was involved. As a result two department heads, two faculty deans or vice deans, four teachers from both faculties and administrative personnel including the associate vice academic president participated in the study. Moreover, the head of the reform of MU and board members were also interviewed. Generally, out of the 12 respondents 10 interviewees or respondents were involved in the study. Two of the respondents were not available because of busy schedules.

Hence, out of the aforementioned faculties two faculties were selected by stratified sampling because these two faculties represented the natural and social science fields. And it is believed that these faculties can show us clearly if there are variations in the governance arrangements of MU among various fields of study. Besides, out of the selected faculties two departments were selected by purposive sampling because the two departments are the biggest in the university in terms of the number of students they enrolled and the number of staff they have. And it was also considered that a great deal of information might be found from them. The departments are department of economics from the faculty of business and economics (social science faculties) and department of agriculture from the natural science faculties.

4.3 Data gathering tools and methods

In order to obtain adequate information that helps to answer the research questions, a thorough documents analysis was made. This document analysis helped the researcher to compare what was said in the interview and done in practices. First, the New Education and Training Policy 1994 (NETP) was referred well. Second, a deep analysis was made on the HEP (Proclamation No. 351/2003:2237) and the recently released HEP (No. 650/2009) to study its impact on the overall governance of the university. Third, the old and the new university senate legislation No.392/2004 and No. 453/2007 were explored too, to analyze the governance arrangements of the university. Similarly, the newly implemented Business Process Reengineering (BPR) was among the most
thoroughly studied documents. Moreover, memos, minutes of sampled departments, faculties and boards on their decision making process were considered as the important documents to understand the how, what and why of governance at each level and the degree of autonomy MU has in managing its resources and the relation it has with the state.

The second data gathering method was semi-structured interviews. The interviews were essential in feeling the gap that is created by the document analysis. Besides, it was found that important piece of information from the experience of the interviewees that was not in the mind of the researcher helped much in the interpretation of the data. Finally, associate vice presidents, sampled faculty deans; department heads, teachers and administrative personnel were involved in the interview.

4.4 Reliability and validity

The issue of reliability and validity are commonly regarded as criteria for judging the quality of any empirical social research (Yin, 2009). The main rationale given to these tests include trustworthiness, credibility, conformability, and data dependability (Yin, 2009:40). It is widely accepted that researchers want to contribute knowledge that is believable and trustworthy (Meriam, 1983: 183). Therefore, in most research types the issue of reliability and validity are primary concerns that can be approached through a careful attention to a study’s conceptualization and the way in which the data were collected, analyzed and interpreted (Meriam, 1988 in Kivisto, 2007:134).

Reliability in case studies demonstrates that the operation of a study, such as the data collection procedures can be repeated with the same results (Yin, 2009: 40). In other words, if the findings and conclusion of one researcher can be replicated by another researcher doing exactly the same case study, then it can be deduced that reliability is met (Gray, 2004). However, it must be noted that the emphasis of reliability is not on ‘replicating’ the results of one case by doing another case study but rather on doing the same case over again (Yin, 2009:45). Therefore, the goal of reliability is to minimize the errors and biases in a study (Yin, 2009:45). The source of empirical evidences and the document analysis can be used as tools to examine the reliability of this study. Almost all of the written empirical evidences are openly available to the public and therefore the information they contain can be verified. Furthermore, evidences, which are considered to be important, can also easily accessed from the public relation office of the university.
Moreover, assessing the validity of any research is an important factor on the acceptability of the study. Validity, in conventional usage, refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration (Babbie, 2007). The validity of research can be divided into construct validity, internal validity and external validity (Yin, 2009: 40). Construct validity deals with identifying correct operational measures for the concepts being studied. Though construct validity has some problems, it can be solved through using multiple sources of evidences. Internal validity seeks to establish a casual relationship, whereby certain conditions are believed to lead to other conditions, as distinguished from spurious relationships (Yin, 2009: 40). Internal validity can be ensured through a range of strategies. For instance, by using methodological triangulation (multiple sources of evidence, multiple researchers, and multiple methods), long-term observation and peer examination (Kivisto, 2007:134). External validity also refers to the domain to which a study’s findings can be generalized (Yin, 2009: 40).

To ensure the validity of this study various approaches were used. For instance, in addition to the documents analysis and phone interviews made personal observation of the researcher was also used. Besides, some of the respondents also gave their opinion in written form. This helped the researcher to triangulate the data found. Furthermore, to avoid any bias of the researcher, which is the ‘enemy’ of reliability and validity of the scientific research, careful cross checks were done between the documents and the interviews done. Moreover, on issues which were found to be vague further elaborations were requested via continuous mails and calls.

Finally, in addition to the theoretical analysis and through review of literatures done in this study, phone interviews and document analysis were effectively carried out to substantiate the theory with the practice in the ground. One of the main advantages of document analysis is to help researchers analyze a particular variable from various perspectives and might also benefit to examine each component of the variable separately (Merriam, 1988). This opportunity is, therefore, a basic factor for assessing the validity and reliability of the research done.
5 FINDINGS AND DISCUSSION

This part presents the case study analyses of the major findings of the study. The case study analysis addresses the three research questions that are indicated in the problem statement. Eastermann & Nokkala’s (2009) dimensions of institutional autonomy, resource dependency theory and institutional theory were applied as the analytical framework to explain the findings related to the status of governance in Ethiopian universities with a particular reference to the State and HE relationships in the case of MU.

Documents, interviews and observations were used side by side to reveal the findings of the study. This triangulation helped the researcher to fill the gaps that could be created by the document analysis. In other words, though this study mainly focused on documents to come up with the major findings, the interviews made with some of the university academic and administrative personnel and the personal observation of the researcher were used as a supplementary for the completion of the study.

The presentation and analysis of the study are done in three sections following the trend of the research questions of this study. The first section deals with dimensions of institutional autonomy, because they are considered to be the main ingredients to show the relationship between the state and HEIs. The availability and extent of these dimensions of institutional autonomy in universities reflect the interaction of the state and universities. The second section deals with the reaction of MU towards the new reform of HEIs. This section mainly presents the organizational strategies MU employed to conform or to challenge itself with the new reform. Furthermore, the governance model and organizational structure adopted after the reform will be presented in detail. The third section deals with the relationship between governance and autonomy in MU. To state it differently, the implications of the new governance arrangements for the institutional autonomy and academic freedom of the university are presented in detail.

A. Characteristics of the respondents

Before engaging in the presentation and analysis of findings, the summary and category of research respondents that participated in the phone interviews are presented as follows. The respondents were composed of five categories. The first category was comprised of associate vice president. The second category is the category of faculty deans that was comprised of two officials. The third
category was also the category of department heads comprised of two respondents. The fourth category was of teachers who were four. The last but not the least category is of the administration head.

Table 1: Interviewees by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate vice-president</td>
<td>1</td>
</tr>
<tr>
<td>Head of administration</td>
<td>1</td>
</tr>
<tr>
<td>Faculty deans</td>
<td>2</td>
</tr>
<tr>
<td>Department heads</td>
<td>2</td>
</tr>
<tr>
<td>Teachers</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
</tr>
</tbody>
</table>

The majority of the respondents participated in the study, but the academic vice president and the board members. The vice president for academic affairs and members of the board were not able to participate in the study due to their busy schedules. However, instead of the vice-president the associate vice-president was interviewed. As a result, since this study is mainly based on documents, the adequate numbers of interviewees were effectively participated. Therefore, the absence of these persons will not affect the reliability and validity of the study.

5.1 Organizational structure of MU

This analysis shows from top to bottom the hierarchy structure of MU. It is found that the board of the MU is the highest decision making authority, though a new hierarchy is created by the name HEC (which is not functional yet). The board performs the overall strategic decision and leadership and is accountable to the MOE. The board has several external members. It comprises members from the regional state, stakeholders, and MOE representatives. As a result, it is found that the head of the board of MU is the vice president of the Tigray regional state where MU is located.

Next in the hierarchy of the university is the president. The president of MU, however, is a non-voting member and acting as the secretary of the board and is appointed by the government upon the recommendation of the board. He is the chief executive of the university and mainly engages in administering the university; and preparing its internal organization structure, policies and internal
regulations of the administration. Besides, he executes and facilitates the execution of the decisions and orders given by the board.

Horizontally, there is senate of the university that is accountable to the president of the university. The senate of the university is mainly involved in implementing the general policies and directions given by the board. The president of the university is the chairperson of the senate. All vice-presidents, associate vice-presidents, registrar of the university, deans of faculties, directors, dean of students, two representatives selected by the academic staff of the university, two students’ representatives, etc. are the members of the senate.

Third in the hierarchy of the university are the vice-presidents of the university. Before the introduction of the new reform, MU had two vice-presidents. These were vice-president for academic and research, and vice-president for administration and development. However, due to the current reform being introduced to the university, MU has three vice-presidents and several associate vice-presidents. According to the Legislation of MU, (2007:12) the main power and duties of the vice-presidents are to assist the president in the discharge of his/her powers and duties, to supervise the activities of the units accountable to them and follow up the implementation of the decisions and directives issued by the board and the senate etc. Besides, the government upon the recommendation by the board appoints vice-presidents and they are accountable to the president of the university.

The fourth in the hierarchy of the university is the dean’s office for faculties or colleges. Deans lead each faculty or college. The president, in consultation with the AC of the faculty, appoints deans from among the full-time teaching staff of the faculty. Deans are accountable to the vice-president for academics and research. Basically according the MU legislation, (2007:23) the term of office for deans is four years. By default the dean of a particular faculty is the chairperson of the AC. And one of the main powers and duties of the dean is to execute or ensure the execution of all decisions of the AC with respect to appointments and promotions of academic staff, scholarships and renewal of contracts.

The last stage of the hierarchy is the department. According to the MU legislation, 2007 the department head is accountable to the dean of the faculty. The dean of the faculty, in consultation with the vice-president for academics and research appoint the department head from among three candidates elected by the DC from the full-time academic members of the department with the rank
of lecturer or above. One of the main duties and responsibilities of the department head is to direct the teaching and research activities of the department. The term of office of a head of department is two years.

However, due to the new Reform 2007 and the BPR documents MU has changed some of its structure. Unlike the previous organizational structure, some hierarchies are added and some of the old ones are removed. For instance, with the introduction of the BPR, MU creates one structure above the board called HEC. Although it is still not functional, the main purpose of this HEC is to serve as an advisor of the board in situation of crisis and also suggests possible leadership solutions. However, HEC does not enforce the board to accomplish its objectives.

Similarly, three new councils that are mainly involved in a key strategic decision area of the university are formed. The first one is the Managing Council (MC). The MC advises the president on strategic issues and on other cases that the president believes require collective examination as well as serve as a forum for monitoring, coordination, and evaluation of institutional operations. The core members of this council are the president, the vice-presidents, and the officer in charge of institution-wide student affairs. Besides, the president of the university chairs the MC (MU Legislation, 2007).

The second council is the University Council (UC). The UC advises the president by expressing its views on institutional proposals regarding plans, budget, organizational structures, academic programs, agreements of cooperation, and on division, merger and closure of academic units as well as on performance. Its members consists of the core members of the MC. Besides, unlike the UC it also includes all deans, directors, members of the senate standing committee, the chief librarian, the registrar, other academic officers, service department heads etc. The board may also include some members upon the recommendation of the president. The president of the university chairs the UC. Furthermore, at each faculty and department level there are academic unit council and academic unit managing council. These councils are responsible for advising the deans and department heads in decisions that are highly important for the overall performance of their faculties and departments.

Therefore, though it can be inferred that MU reacts to the reform by simply changing its organizational structure, the changes are forced by the MOE. As it is mentioned above, new advisory and managing councils are introduced which were not there before. The number of vice-presidents increases from two to three and their names also changed. For instance, vice-president
for administration and development is changed to vice-president for support service. The formerly known position as vice-president for academic and research is changed to vice-president for academic affairs. Besides, a new position of vice-president for research and community services is created. In addition to this, all the vice-presidents are the process owners of the university, whereas, the president is the business owner.

Under the vice-president for support services there are four directors offices. Such as the director of resource mobilization and utilization, director of student service center, director of human resource development and director of procurement, finance and facility management. Under the vice-president for academics there are also four positions. These are directors of ICT and Library, deans of colleges and directors of institutes that are advised by college/institute council, and directors of institutional quality assurance. Last but not least, the vice-president for research and community services coordinates the director of research institute, directors of corporate communication and marketing and directors of university industry community linkage.

However, the organizational strategies that MU preferred to use to react to the new reform seems to bring more of compliance than structural change. In the interviews made with some of the respondents it was indicated that the changes of structure made in MU are pushed from the top. It seems that MU is simply accepting the new structure without making any modification. For instance, one of the respondent’s comments indicates:

*We are told to introduce BPR as part of the university reform, and we are implementing it (Dept. head, 2).*

Furthermore, another interviewee says:

*All public HEIs in Ethiopia are now busy changing their old organizational structure to the ‘new’ one, but surprisingly we [universities] all have the same things-no differences at all (Teacher 4).*

Despite the changes of names and positions, the university remains bureaucratic and hierarchical. Furthermore, interviews made with some respondents indicate that there is still doubt and lack of awareness with regard to the changes being made. For instance one interviewee says:

*You can see some new organizational structure is being made. New names, new bosses and new structures are created…but I do not see new developments. Things are going as they were many years ago. For me the change is more of in paper than in practice (Teacher 1).*
Moreover, some of the interviewees have also questioned the practicality of the new reform. They believe that the government does most of the work. In other words, it is a top down approach with little chance for the staff to participate. With regard to this one interviewee’s comment clearly explains the situation as follows:

*Everyone expects this “reform” or new organizational structure for many years. Personally I thought that it would bring some positive development on the overall performance of the university. However, when the time came, it was not the case. First of all, the majority of the staff [academic or administrative] has not participated well in developing the change. It is was only some staff members mainly participated in designing it. Second of all, adequate studies have not been made to come up with such kind of change. Third, the changes are nominal that do not have anything new than before. This is business as usual (Dept. Head 2).*

The dean of the faculty that I have interviewed also comments the urgency of the change. He argues:

*Most of the new positions or structures opened do not have the required human, physical and financial resources. Besides, some of them do not have job descriptions. They are functioning without plans and targets. Generally, the university is not fully ready to implement much of the reform being pushed from the Ministry...still the university is far from radical change (Dean 1).*

However, the associate vice president does not agree with this idea. He comments:

*Before we [MU] start reforming the organizational structure of our university, internal experts and external consultants in collaboration with the MOE made some studies. The findings of the studies were presented in different workshops and seminars for the staff though not enough. Despite the fact that there is some confusion within the staff on the overall process of the change, the reform will bring about the desired result sooner or later. And the University has the capacity to implement the reform (Associate vice president).*

It appears to be true that due to the new BPR policy, MU is actively involving and changing its former organizational structure and decision-making process. It may also seem that the creation of new positions aiming at institutional transformation reflects the aspiration of the university to realize its missions and vision. However, the changes, unlike its mission, are not fundamental in nature. Rather they involve simple restructuring that focuses on amendment of laws and procedures. Besides, the changes are pushed from the top rather than from the university. And this leads to poor awareness on the process of reform among the university community.

**5.1.1 Discussion on the organizational structure of MU**

Despite the fact that MU is engaging itself in a wide reform to bring about organizational change and effectiveness, it is practically characterized by some fundamental problems. If organizational
change is to be effective, then ample and rigorous studies have to be made on the nature and extent of the problems. However, a thorough study has not been made on the overall problems of the university. The need for change is directly pushed from the Ministry rather than from the university. As a result, it becomes a top down approach for change. Besides, it seems that the academic and administrative communities of the university are not well aware of the new reform and have some doubts on its effectiveness. Furthermore, the evident changes are far from being called radical rather they are slow and bureaucratic. One of the main objectives of the so-called BPR is to make the tall organizational structure of the university flat. However, having thoroughly observed the new organizational structure after the BPR, it is still tall. This implies that there are many echelons between the top leaders and the line workers, teachers and administrative officers (See Figure 1).
Figure 1. Organizational Structure of MU
5.2 The relationship between the state and HEIs

This section presents and critically examines the role the state plays in governing universities. Based on this, the status of autonomy in universities is taken as an indicator to investigate the relationship between the state and universities. Five elements of institutional autonomy based on the Estermann and Nokkala, (2009) were identified that clearly depicting the extent of autonomy in MU. Each element of autonomy is going to be presented separately. Primarily, the extent of autonomy was identified from the thorough document analysis made. Besides, phone interviews made with the selected academics and administrative personnel were also used as a supportive instrument.

5.2.1 Organizational autonomy of MU

The organizational autonomy of the MU is analyzed from different perspectives. The power of the university to form its organizational structure was considered as one of the main indicators for analyzing organizational autonomy of MU. Accordingly, the HEP No. 351/2003 and No. 650/2009 clearly indicate that the MOE sets the general structure of all HEIs. The proclamations vividly show how the organizations of public institutions are to be set. For instance, in article (34) of the proclamation (No. 351/2003) it is indicated that the provisions of any public institutions shall have its administrative boards, senate, or an academic commission, office and other necessary rooms for the activities and academic, technical and administrative support structures necessary for the activities of the institutions. Besides, this proclamation under article (34) subsection no 2,3 and 4 shows that universities in Ethiopia shall have academic wings like colleges, schools, faculties and research institutes. Furthermore, the new proclamations (No.650/2009) stipulates, “Each faculty, college or school of the public institutions shall have an academic commission. The academic commission consists of a dean, vice deans, head of departments, students’ representatives, representative of the academic staff to be elected by general assembly of the academic staff and other heads”. Similarly under the sub article (4) of the same article (34) pointes out that each department under public institutions shall have a department assembly consisting of all full-time academic staff members of the department.

Apart from dictating the organizational structure of the universities, the HEP No. 351/2003 clearly lists the power and the duties of the board, board members, the senate, members of the senate, the appointment of president and vice-president of the public institutions, power and duties of the Head of the a public institutions etc., in its articles (35), (36), (37), (38), (39) and (40).
The legislation of MU, 2004 also shows that the establishment rules for senate set by the HEP No. 351/2003 and No.650/2009 are all incorporated in the university’s legislation. However, some duties and responsibilities of the senate that are not written in the proclamation are included in the MU legislation 2004.

Furthermore, an interview made with one of the department heads with regard to autonomy of the university to form its own organizational structure clearly shows how the situation has been evolving. He pointes out:

*The organizational structure of the university...be it the board, the senate, the faculties or any other small units of the universities are primarily dictated by the HEP of the country and the routine letters sent by the MOE. The role of the university is just to make some sort of adjustments without violating the fundamental guidelines set by the MOE (Dept.Head 1).*

The other department head, underlining the limited nature of the university’s autonomy in designing its organizational structure, suggests:

*Had it been the case [if there were autonomy], we would have seen different types of organizational structure in all universities of Ethiopia. They are like 'identical twins'. All in all, universities in Ethiopia follow the directions given by the MOE (Dept. Head 2).*

This shows that the government is still in charge of setting the overall direction and organizational structure of the universities. To state it differently, universities in Ethiopia have no autonomy to set out their organizational structure especially at the level of senate and board. Of course, however, a careful look at the documents of the university and phone interviews made shows that though the universities are forced to go according to the HEP of the country, they have practically limited freedom to establish the power and duties of the colleges, schools, faculties, departments and research institutions. For instance, the sub article (3) of article (34) of the HEP (No. 351/2003) depicts that the power and the establishing law of the institutions or the internal regulations of the senate shall determine the duties of the academic commissions. Similarly, it is found that the university executive leadership determines the power and duties of the departments. Besides, it is somewhat visible that the design of the internal academic and administrative structures is mostly under the university control. while governance structure and leadership are often strongly shaped by national legislative frameworks.
Therefore, it can safely be concluded that though the Proclamations have given some sort of autonomy on the overall administration of the universities, the power of designing organizational structure is still in the hands of the government. This means that the key power is still played by the state.

5.2.2 Formation of the governing board

According to the Proclamation No. 351/2003 and the new proclamation No. 650/2009, any public HE shall have its own board. And the board is the supreme governing body of the university. Besides, the selection of candidates for the posts of the president and the vice-president of universities and presenting them to the government for appointment are in the hands of the board. Generally, the key areas of the internal administration are mainly designed and approved by this body. However, the crucial point within the structure of governing board is the involvement of external board members and the way they are selected.

It is clearly stated in the new HEP No. 650/2009 in its article (45) sub-article (1) that the board is composed of seven voting members, including the chairperson; and the selection of members shall give due regard to merit-based gender balance. Sub-article (2) of the same article further indicates that the Ministry selects and appoints the board chairperson and three additional voting members to the board. Besides, sub-article (3) and (4) of the same article show the president of the university, in consultation with the senate, nominates three other voting members of the board and submits their list for appointment to the Ministry. Similarly, it is stated that the board consists of representatives from the regional government where the public institution is set up, representatives of the beneficiaries of the products and services of the institution, notable personalities as well as members of the management organs of the public institutions. For instance, it found that the chairperson of the board of MU is the head of the capacity building bureau and the vice-president of the Tigray regional state.

According to referred documents and the interviews made with the academic staff, it is only recently (after the introduction of new HEP) that MU is allowed to have three of its members on the board of the university.
As one of the interviewees puts it:

For many years the staff (academic and administrative) has not been well represented on the board of the university. All the board members of the university were from outside. They were either from the MOE or from the regional state administration. However, the new proclamation gives us the opportunity to elect three members of the university to be included on the board. But I do not know when will this new law be implemented? (Teacher 2).

Although the new proclamation (No.650/2009) unlike the previous one (which has been practiced for many years) clearly defines the necessary skills of the board members, in reality, the situation is different. It seems that the attention of the government in setting competent governing boards is insignificant. With regard to this, the Higher Education System Overhaul (HESO) committee, composed by mainly HEI leaders and set up by the MOE, conducted a survey in selected public HEIs in 2004 and the study revealed:

- University Boards do not contain individuals with relevant skills needed to fulfill the functions of the board;
- The board involved the potential for conflict of interest-i.e., people from the MOE are assigned as board members.

Similarly, the associate vice president of the university clearly comments on the skills of the MU’s board:

Albeit the new higher education proclamation clearly stipulates the merit-based nature of the appointment of the board, practically members of the board have been appointed regardless of their educational background and skills but rather their political background.

Moreover, as one of the interviewees indicates:

Most of them [board members] are politically affiliated appointees who mainly focus on their political affairs. They are not professionals who have the expertise and the commitment to give strategic leadership to the university rather they are here to ‘fight fire’. In other words, they are officials who appear when the university faces some ‘unrest’ or difficulties (Teacher 1).

In addition to this, one of the deans has simply put his observations on the governing board of MU as follows:

Honestly speaking I have no idea what these people [Board members] are doing, who they are, and how often they meet to discuss the University’s issue. I have never seen a single board member of the university for over seven years during my stay in the university (Dean 2).
Thus, it can safely be concluded that MOE mainly establishes the governing board of MU. The members of the university have not had the right to select or nominate their governing boards till recently. It has been the sole power of the state to appoint the most influential and powerful organ of the university that is mainly loyal to the government rather than to the academia. Besides, the externals that have no necessary skill and educational background mainly dominate the governing board of the university. It is only recently that the new proclamation clearly specifies the position of the board member as merit based. However, it is doubtful to be implemented easily.

5.2.3 Faculties and departments in academic issues

The authority of the university in controlling its academic issues emanates from the vision and mission of the university as well as the rights and duties of the university given by the law. As a result, as it can clearly be seen from the legislation of MU, 2004 and 2007, the university has the mission to be one of the leading HEIs of teaching and learning in Ethiopia and to continually improve the relevance and quality of education, research and consultancy services to meet the development needs of the society. Moreover, according to the MU legislation, (2007:2) the university’s missions are to:

- Provide high quality undergraduate as well as postgraduate programs in various fields that benefit the country, its citizens, and the world at large;
- Engage in relevant research that can support the development endeavors of the country, and artistic and scholarly activities that advance learning through the extension of the frontiers of knowledge and creative endeavors;
- Cooperate with governmental and non-governmental institutions to transfer knowledge in science, technology, mining, commerce, health care, development, etc;
- Offer continuing and lifelong education programs for the personal enrichment, professional upgrading, and career advancement and the fulfillment of the needs of adults to grow further in knowledge thereby motivating, improving the quality and stabilizing the human resource needs of the region and the country at large; and
- Make the expertise of the university available to its local communities in ways that are consistent with its teaching and research functions and contribute to the social, intellectual, technological, and economic development of the country, the region, and the world.

To realize these well-designed vision and missions of the university, the HEP No. 351/2003 in its article (14) and article (8) of proclamation NO.650/2009 have provided the following power and duties to all HEIs of the country:
a. Develop programs of study and provide HE;
b. Produce skilled manpower in quantity and quality based on of the needs of the country;
c. Undertake study and research and disseminate the findings as may be necessary;
d. Provide appropriate services to the society;
e. Establish co-operation relations with different bodies including HEIs;
f. Award different academic diplomas including degrees permitted to a given level;
g. Give recognition or award prizes to the persons of outstanding achievements or constructive contributions, etc.

The legislations of MU (2004 & 2007) based on the HEP of the country, have clearly set out the duties and responsibilities of each department, faculty, school and college. As it is stated in this study, the internal routine works and the power to accomplish them are given to the departments. Issues related to student placement to each field of study, the teaching and learning process, teacher recruitments, grade transfer, etc are under the power of the lowest academic units of the university. However, important decisions like curriculum development, structuring courses and contents are mainly in the hands of the MOE. Departments and faculties are sometimes consulted to contribute or comment on the curricula. In addition to this, it is also visible, though some times, that what is written in the HE law is not respected or implemented. This is partly due to the fact that the government deliberately suspended it (like the block grant) and the lack of ability of the university to accomplish it. Besides, the university also has some misunderstanding on the right or power it has been granted by the law.

With regard to this, interviewees show different understanding on the ability of their university in controlling academic issues. As one interviewee puts it:

_Most decisions whether it is academic or non-academic issues come from the Ministry. Our university mainly involves in implementing the big decisions made by the MOE without making big changes. Of course, however, there are few times when MU’s academic units solely decide on their internal affairs (Teacher 3)._ 

The other interviewee comments:

_Most academic issues especially the routine ones are in the hands of the departments and faculties. However, strategic issues [important issues] are still pushed from the Ministry (Dean 1)._ 

Besides, one of the heads of department also feels:

_What we lack is institutionalized work. I have observed that things are decided haphazardly. Some issues that were in the hand of the universities are ‘snatched’ by the MOE. And some times they [issues] come back when they [MOE] feel it right. Generally, I do not feel that units of the universities are up to their real authority (Dept. Head 1)._
Accepting some interference from the MOE in the internal affairs of the university the associate vice-president strongly believe that MU has been going strongly from time to time in deciding on its internal affairs. He further notes:

*Relatively speaking MU is enjoying the freedom to decide on its internal academic affairs. Things are improved. We have now a full autonomy to make decisions that are important to our teaching and learning process. Though still there is some interference from the MOE in areas like the placement of students, the situation is improving* (Associate vice president).

Thus, it is not difficult to understand by simply reading how the university is loaded with big missions and objectives, but with limited power. Departments and faculties are not fully empowered to make important decisions. In other words, it can be said that universities are demanded to work more with less.

### 5.2.4 The ability to decide on the executive leadership of the university

The ability of universities to decide on their executive leadership is another key indicator of their organizational autonomy (Estermann and Nokkala, 2009). It is common that the leadership of the university is comprised of university communities that are mainly involved in the decision making process of the university’s be it academic or administrative. In the Ethiopian case the leadership of universities comprises of faculty deans, the head of the registrar, vice presidents, the president of the university and the board. Therefore, a critical analysis of the selection criteria, qualification of these executive leaderships and the relation they have with the governing board of the university will show the organizational autonomy of the university.

**A. Selection of the president.** According to the HEP No. 351/2003 & No. 650/2009 the MOE shall appoint the president and the vice-presidents of the public universities in Ethiopia up on the recommendation of the board.

One of the respondents in the dean’s office comments:

*I know that the senate chooses nominees that are considered to be ‘qualified and experienced’ enough in academic leadership and research. However, the final decision is made by the MOE and sent to the prime minister of the country to get approval* (Dean 2).

Similarly, seven out of ten (7/10) of the interviewees agree that the executive leadership of the university especially the vice presidents and the president are ‘hand picked’. They feel that they have no say in electing their leaders.
Besides, one of the interviewee from the teaching staff said:

*I do not even know who they are? What credentials they have? I just know them some times on the TV screen like the ordinary people outside the campus* (Teacher 4).

Furthermore, in no place the MU’s documents show that the staff has a right to elect and or remove its leaders. It is rather the state that determines the appointment of the executive leadership.

**B. Qualification of the executive leaderships.** The HEP (No. 650/2009) says the following on the qualifications of the executive leadership: “The candidate president and vice-president of the public institutions shall have commendable academic and managerial ability.” Furthermore, the same article (39) sub article (3) suggests particulars of requirements, conditions of, and procedures during, competition for qualification, stating that the law establishing the institution shall determine the head of the public institutions.

The actual practice in Ethiopia shows that almost all university presidents and vice presidents have at least PhD and have worked for many years in universities as teachers and researchers. Some of them are known professors at the international level. For instance, MU president is one of the leading professors and researchers in the country in the field of agriculture. It seems that, nevertheless, there are some doubts on the appointment of some staff members of the executive leadership beyond the qualification of the presidents.

*Though the president and vice president have no difficulties in exercising leadership quality, I suspect that their political commitment to the ruling party is much more important to the government than their professional expertise* (Dean 2).

Supporting this claim one of the department heads adds:

*The president of MU, whom I consider as a person with tremendous leadership quality, has served for some couple of years as a member of the central committee of the ruling party* (Dept. Head 2)

This shows that in addition to academic excellence, implicitly political affiliation to the state matters equally important as the merit based.

**C. Presidents’ term in office and dismissal.** The president’s term of office is clearly stated in the law. Article (42) of the proclamation shows the term office of the head and vice head of the institutions shall be five years. However, sub-article (6) of article (52) of the new proclamation No. 650/2009, which was introduced very recently, indicates the term of office of the president and vice-president is six and four years respectively. Besides, nowadays with the introduction of the new
reform called BPR there is a movement (though not ratified) by the MOE of Ethiopia to appoint the president for indefinite period of time. The strategic plan of the MOE for the year 2008 to 2011 for public HEIs of the country shows there is a desire or a plan to change the current proclamation by the new one. Accordingly, the document suggests the term of office of the president must be indefinite and its place must be tenured. The main reason given by the MOE (2008: 56) document is that the president is considered to be the key person for the wide reform that aims at institutional transformation.

Another key indicator on the accountability of the president towards the institutions and other stakeholders is dismissal (Estermann and Nokkala, 2009). As a result, the proclamation (No. 351/2003) dictates on the dismissal of the executive leadership though it has some clarity problem. With regard to this HESO, (2004: 17) points out:

*There appear to be areas within HEP that need clarification so as to ensure that they do not represent hindrances for the implementation of the autonomy in the public sector HEIs.*

Similarly, this lack of clarity is visible on the appointment and dismissal of the head of institutions. In instance the HESO, (2004:17) report states:

*One example is the appointment and dismissal of the head of an institution: this is now one of the powers of the Ministry (see Article 35:2) following the recommendations of the board; and although under Article 35:3 the board may also recommend the dismissal of a head it is not clear if, in case, the Ministry is bound by the recommendation or whether it may make another decision.*

However, the recently introduced proclamation No. 650/2009 in its sub-article (4) of article (55) clearly shows how the president and vice president of universities in Ethiopia can be removed from their position. Accordingly, it is indicated that the board may cause the removal of the president or any vice-president if it determines to do so through three consecutive monitoring reviews or one in-depth interview.

Thus, this shows that the members of the academia as well as the administration staff do not have a single say towards the dismissal of the executive leadership nor do they have in the appointment. It may be called that the leadership is not accountable to the institution but to the state. Besides, still the power of the board is to give feedback to the MOE about the performance of the presidents.
5.2.5 Relationship of the president with the governing board and Senate

The president of the university is the key person in the overall performance of the university he or she leads. As a result, it is believed that assessing the role of the president with regards to the governing bodies of the institution also contributes to a deeper understanding of the degree and nature of organizational autonomy (Estermann and Nokkala, 2009).

According to the Ethiopian HE system the president of the university is accountable to the board. However, the president of the university is not a voting member of the board, but he is the chairman of the senate. Besides, the president of the university is also the secretary of the board. However, the MOE assigns the chairman of the board from the regional government office. In this case the chairman for the board of MU is the vice president of the Tigray regional state. Therefore, the relationship between the Board of the university and the president is hierarchical.

It is also true that the Ethiopian HE system has two governing bodies, the board and the senate. The board is manly responsible for more long-term strategic decisions, such as deciding on statutes, strategic and development plans, selection of the president and vice-presidents. Generally, the board is the head of the general administration of the universities. Furthermore, the senate that is accountable to the head of the public institution manly involves in giving direction on the academic matters of the universities based on the general policies set by the board of the university.

Thus, it is safe to conclude that while the most of the internal academic and administrative affairs mainly fall under the university control, the overall governance structure and leadership are often strongly designed and controlled by the national legislative frameworks. As a result, the role of the president on the university board is minimal, but has strong influence on the senate.

5.2.6 Discussion on the organizational autonomy of MU

Taking the four dimensions of organizational autonomy (Estermann and Nokkala, 2009) into account as stated in the literature review there is a strong relationship between the organizational autonomy of university and its governance structure. Various literatures indicate that the presence of organizational autonomy is a key for the effectiveness and efficiency of HEIs. However, the organizational autonomy of MU is compromised. The ability of the university to frame out its own structure is highly intervened by the state. It is mostly up to the national level governing bodies to shape the governance structure and leadership of the university. The board which is responsible for the overall leadership of the university is formed from outside, by the MOE. Besides, the majority
of the board members are outsiders who are appointed mainly based on their political affiliation to the government rather than on their leadership quality and academic background. Similarly, the university communities do not have any power to select their academic leaders like, department head, deans, vice presidents and president. For instance, the vice presidents and the president of the university are nominated by the board of the university and the MOE and approved and appointed by the Prime Minister of the country. The substantive autonomy of the university that focuses on the power of universities or colleges to determine their goals and programs (Berdahl, 1990) is highly influenced by the state. However, the procedural autonomy (Berdahl, 1990) of the university is relatively better. This refers to the power of the university to determine the means by which its goals and programs are pursued which is somewhat better than that of the substantive ones.

Hence, this limited organizational autonomy of MU might have a negative effect on the opportunity of the university to compete effectively and efficiently in the globalized world in general and with the national universities in particular. Consequently, the performance and innovativeness of the university might be hampered and in turn quality will suffer.

5.3 Financial autonomy of MU

This section deals with the extent of financial autonomy in MU. Financial autonomy is the backbone of university autonomy (Bighi, 1993). This implies that a HEI without any degree of financial autonomy can hardly operate effectively in the teaching and research activities. Therefore, this section presents four main indicators of financial autonomy in universities. Each factor is analyzed independently based on the documents collected and the phone interviews made.

5.3.1 Autonomy to accumulate reserve or to keep surplus on State funding

The former HE law which was changed few months ago specifies, “unutilized yearly income of the institution] shall be transferred to the next fiscal year” (No.351/2003: article (49) sub-article (3). Nevertheless, the law does not say anything whether this transferred money to the next fiscal year will be included on the budget of the university as part of the annual budget and reduced from the estimated budget that was set to be allotted for the university or considered as additional to the already set budget. However, it seems that the new proclamation No. 650/2009 has changed some of its procedures, though it is not in practice yet. Accordingly, in its Article (63) sub article (1), (2) and (3) the law indicates that any unutilized portion of allocated block grant of any public institution may remain at the disposal of the institution as a budget subsidy. However, the institution must use
the budget subsidy only as a capital budget. Besides, the budget subsidy shall be budgeted together with the year’s block grant and other institutional income for the year and approved by the board as the institution’s total budget. Despite the fact that the law gives the opportunity to the institution, the practice seems different as it was indicated in the interviews made with the head of administration:

So far the university does not have the right to keep the surplus budget that the university gets it from either the annual budget allocated by the government or from outside sources such as donations, income generated internally from the service it renders and activities it carries out and other source of income. At the end of the fiscal year the university is forced to transfer it to the next budget year and the government allocate the next budget by adding the remaining (Administration head).

Supporting this trend and the implication that it creates to the miss-use of financial management of the university, one of the interviewees has this to say:

Every time, year in year out, since I have been employed in this university, there is a high rush on the purchasing department to ‘waste’ money intending to buy any materials regardless of their quality or relevance at the end of the budget year. Most of the time materials have been bought even if there is enough amount of it in the store. No one cares for the quality of the educational materials that are bought what they [the purchasing unit] only think is not to transfer the money to the government. And this is creating wastages and opens door to corruption (Dept. Head 1).

Surprisingly, even the so-called internal income other than the government budget that the university secured them from different sources and activities is considered at the end of the fiscal year as government revenue and transferred to the government account (MOE, 2007). This shows that the MU has no autonomy to keep the surplus budget and allocate it in programs that are considered to be important by the university. And this leads to miss management of the scarce resources which might also affect the university’s efforts to improve their transparency, accountability and at large their autonomy. Besides, sooner or later it might create a big burden to the state to finance these universities.

5.3.2 Autonomy to set tuition fees

Setting tuition fee is widely considered as an indication of the financial autonomy of universities. The Ethiopian HE system does not allow universities to set tuition fees in any forms. In other words, students of HEIs in Ethiopia do not pay any fee to cover all or part of tuition costs. Besides, universities do not ask either their students to pay any administrative fees, like entrance fees, registration fees and certification fees.
However, the HEP (No. 351/2003) article (56) sub-article (1), (2) stated that any student who has graduated from HE of the public institution is required to share the cost of his education, training and other services on the basis of cost sharing principles. And the payment of costs shall be effected in the form of tax payable from the salary or other income obtained after graduation. Universities, however, do not have the right to collect these graduate taxes rather the income tax proclamation NO.286/2002 grants this obligation or duty and responsibility to employer/s of graduate to collect the tax and transfer to the government account.

Nevertheless, universities are free to set tuition fees for students who are registered in evening classes, distance education, summer courses and short term training demanded by some governmental and non governmental organizations (MU legislation, 2007). Vindicating this the associate vice-president said:

*We do not set any tuition fees for regular students, as there is no ground to do that. The ministry has recently (as of 2004) established a cost-sharing system which forces student to cover their full cost of food and lodging plus a minimum of 15 per cent of total instructional costs for their university program. The money that the students pay as a graduate tax directly go to the government account not to the universities. However, we are free to set tuition fees for distance, evening and summer students.*

According to some documents, all students enrolled at a regular base are eligible to enter into an agreement with the government that stipulates their responsibility for repayment of these costs and the terms that are in effect. Borrowers must begin repayment after a one-year grace period following the completion of HE and must complete repayment within 15 years. Though they have the options of paying the calculated amount up-front at 5-percent discount (Teshome, 2007).

### 5.3.3 The ability to borrow from the financial market and issue shares and bonds

The financial autonomy of MU is directly related to the government block grant that is only “on the papers” not implemented yet. Though the proclamation allows universities to get a block grant from the government, universities in Ethiopia still get their budget through negotiation with the Ministry. According to the MOE’s strategic plan for higher education institutions of the country for the period 2007-2011, block grant has failed to be applied in universities mainly because it is incompatible with the country’s financial law. And the strategic plan further suggests that efforts are being made with the Ministry of Finance to design a law that allows public institution to use block grants (MOE, 2007). As a result, a new proclamation N0.650/2009 was released few months ago that guarantee public institutions to be funded by the federal government or states through block grant system based on strategic plan agreements.
Specifically, the proclamation in its article (57) sub-article (1) indicates the source of income for the universities in Ethiopia. The source of income of a public institution consists of an annual block grant allocated by the government, subsidies made by the government in cash and kind, income generated from such services delivered by the institution as research, continuing and distance education, consultancy, art and medical services as well as from sports and other activities of the institutions such as donations and different contributions, loans, and other income-sources.

Furthermore, pursuant to sub-article (4) of article (57) of the proclamation, universities shall utilize the income obtained in accordance with the financial law. Besides, the proclamation in its sub-article (5) of the same article above specifies that HEIs may use incomes they obtain in accordance with the plan and program approved by the board of the intuitions and transfers the unutilized money to the next fiscal year. The law further stipulates that any university shall have its legal personality and operate like any business organization in compliance with all legal requirements. However, the law does not specify from where the universities can get loans. With regard to issuing bonds, every institutions that have independent legal status shall have the right to issue and sell bonds, may transfer, buy, lease, or mortgage its property as determined by its establishing law.

One of the interviewees from the administration and finance department comments:

The law gives the right to get loans from different sources and the right to sell bonds, however the process is too complex and tiresome. Stringent rules and regulations of the Ministry of Finance are always an obstacle to get the desired income easily.

The annual report of MU for the year 2009 indicates the university secured only 0.2 per cent of its income from donations and bonds. Thus, this may mean that MU is in no position to exercise its right that is clearly stipulated in the proclamation of HE. Besides, the reluctance of the government to implement the law and the inability of the university to manage its scarce financial sources create a big problem.

5.3.4 The ability to control and allocate budget internally

The procedures that universities use in allocating their budget within various faculties, departments and other segments of the institutions may signify the extent of autonomy a particular university enjoys. The evidences found from MU suggest the strongly negotiated money secured from the government is allocated based on two principles. These are based on recurrent budget and capital budget or sometimes project budget. Budgets concerned with recurrent budget, especially those
related to salaries are allocated based on line item budgeting by the government and distributed based on the number of academic and administrative staffs the university has. However, for project and capital budgets, the university has the right to allocate according its own interest and priorities.

Supporting this trend one of the interviewees from the finance and administrative office of the university says:

*In projects like academic research projects it is up to the university senate to allocate money based on the request made by the colleges, faculties and departments. The government does not interfere in the allocation of the money. The role of the government is only to assure whether the money is spent based on the financial law of the country (Administration officer 1).*

Similarly, one interviewee from the dean office comments:

*You cannot think the financial autonomy of MU out of the financial law of the country. The whole country functions under stringent financial rule, so does MU. Though MU has the right to allocate the money in what so ever research projects it wants, it is under the strict financial laws (Dean 1).*

However, the HEP (No. 650/2009) in its article (64) indicates that any institution shall allocate sufficient funds for research and study it conducts and utilize it for the purpose intended. Besides, in the same article sub-article (2), it is stipulated that public universities can conduct research in the prioritized areas using incomes from non-public sources.

Therefore, MU enjoys limited autonomy to spend money on research projects that are high priority of the faculties or departments. However, this freedom only works on research projects not on other segments of budget type. On capital budgets and student services, the university does not have the right to make some changes. In other words, although there is a trend towards block grant funding there are still some cases where line item budgeting is used, with universities having no possibility to shift funding between budget lines.

**5.3.5 Discussion on financial autonomy of MU**

Financial autonomy is considered as a crucial factor allowing universities to achieve their strategic goals (Kohtamaki, 2009). Furthermore, it is believed that financial autonomy is the main area where the links to other elements of autonomy are most obvious. In other words, the issue of financial autonomy cannot be seen in isolation (Kohtamaki, 2009). If there is no freedom for universities to act freely in terms of financial issues then it is unlikely that the other dimensions of autonomy function effectively.
The results of the study indicate that the financial autonomy of MU is highly limited. Despite the fact that the HEP, grants financial autonomy, universities do not get their annual budget in block grant form, yet. The possible explanations for this might be the lack of commitment from the government to implement the law and the inability of the universities to make pressure on the government to realize the autonomy that the law permits.

Consequently, this limited financial autonomy is paralyzing the university’s performance to achieve its missions and vision. The stringent rules and guidelines are hampering the innovativeness of the university. In addition to this, the impact of this limited financial autonomy is also becoming visible in other dimensions of the university’s autonomy. For instance, the inability to recruit competent staff on both academic and administrative sides is mainly the result of the strict financial autonomy of the university. Besides, the unnecessary pressure at the end of the fiscal year on the purchasing department to make purchase so as to not resubmit the unutilized budget is partly the result of minimal financial autonomy.

Thus, any efforts made by the university to become a center of excellence and to play a positive role in the economic, social and political development of the country without securing adequate financial autonomy might be negatively affected.

5.4 Staffing autonomy

Staffing autonomy particularly focuses on the capacity of the university to recruit its own staff and negotiate terms of employment. However, the status of staffing autonomy is obviously related to its financial and academic autonomy. For instance, staff salaries and employment contracts are mostly determined by the financial agreements between the university and its funders, and financial regulations on staffing directly impact on the ability to recruit the appropriate staff (Estermann and Nokkala, 2009). Therefore, the analysis made for staffing autonomy is based on the institution’s academic and financial autonomy.

5.4.1 The capacity of the university to recruit its own staff

The law of Ethiopian HE system grants autonomy to recruit and administer its own academic and administrative personnel (No. 351/2003 and No.650/2009). However, universities in Ethiopia need to abide by national regulations with regard to the qualification requirements and recruitment procedures in all categories of staff. A thorough discussion with some of the higher officials of the university and
documents found in the university show that the university has the full right to recruit its academic and administrative personnel. As stated by one of the interviewees from the dean office:

*We have the right to recruit our staff based on the requirements set by the legislations of the university. I can assure you our departments recruit 100 percent of our staff members* (Dean 1).

However, one interviewee has not agreed with the full autonomy of the university to recruit its own academic staff. He comments:

*Thought it is the fact that we have been recruiting our staff by ourselves, some academic staff have been recruited and assigned here by the MOE two years from now* (Dept. Head 2).

The vice-president, however, has commented on the interference of the MOE.

*Some years ago there were shortages of instructors allover the country and all public universities delegated the federal MOE to recruit graduate assistant instructors with BA/BSC degrees and assign based on their needs. However this practice only applied for a year. Nowadays, the universities are fully autonomous to recruit their academic and administrative staff based on its needs and of course the budget it has* (Associate vice-president).

Another source from the administration office of MU shows that the MOE carries out the recruitment of expatriate staff. The university itself conducts the recruitment of local staff that mainly deals with the employment of graduate assistants. Of course the selection is based on academic merit. It was, however, indicated that the pressures for affirmative action on behalf of the appointment of female teachers has resulted in the employment of staff with poor academic standing (Ayalew, 2008). Therefore, it can be said that MU is free to recruit its staff, but it needs to follow the national regulations and recruitment procedures for all categories of staff.

### 5.4.2 Term of employment

The term of employment in Ethiopian universities is of two types. The academic staffs are contract employees, whereas the administrative staff members are the civil servants and governed by the federal civil service code. In other words, none of the university’s academic staff has civil service status. The contract must be renewed every two years based on the performance he or she shows.

In some cases, however, the proclamation grants the autonomy for HEIs to make tenure or job opportunities on permanent basis as proof of efficiency. It is learnt that the majority (nine out of ten) of interviewees especially teachers agree that the term and conditions of employment create an enabling work environment for teaching and research. Besides, they considered that the term and conditions of employment is free from discrimination of any kind. It was found out, however, that the MOE centrally prepares the terms of employment and there is no room for negotiation. Even
extension and part-time payments are not negotiable. Neither is there the mechanism to collectively negotiate since the teachers are not organized (Ayalew, 2008).

5.4.3 Staff recruitment procedure
The staff recruitment procedure in MU is mainly carried out by the standards set by the national law and the law that are set by the senate and approved by the board of the university. The selection criteria are set at the faculty level and sent to the department to be applied. At the department level a selection committee is set-up to evaluate the candidates. For instance, thorough interviews are made and sometimes written exams given to find out about the potential candidates.

According to the interview made with one of the departments, the recruitment process is clear but bureaucratic. He comments:

First, committee is established to select nominees. Second, announcement is released on the university web sites, radios, and televisions and on the notice boards of the university as the case may be. Third, the recruiting committee makes preliminary recruitment procedures. For instance, investigating the documents of the applicants. Fourth, successful applicants will be called for interview and written exams. M.A and PhD applicants are required to submit and present their thesis and dissertations. Fifth, the documents of the qualified applicant are then sent to the faculty to get approval. Last, up on the approval of the faculty the vice president for academic and research affairs gives his or her final decision (Dept. Head 1).

Similarly the documents analyzed from the universities show the same procedure (MU Legislation, 2007). Thus, the recruitment procedure is too bureaucratic and similar with the civil servant labor law of the country.

5.4.4 The ability to determine staff salary and working conditions
The new HEP (No. 650/2009) gives HEIs the freedom to pay a market salary (i.e. competitive salary based on the labor market) (see Article 35:7), but rarely does this occur. HEI managers appear to be unaware that this act supersedes the federal Civil Servants Proclamation (CSP), (1991) and provides freedom over administrative staff salaries and contracts in the same way as for academic staff, provided that staff members are treated within the spirit of the CSP. Although the spirit of staff rights and duties, as indicated by the CSP, makes a range of disciplinary action entirely possible- institutional managers do not always enforce regulations. The CSP is designed to make public agencies efficient, neutral, effective, sustainable, and transparent and development
orientated. It seems that for many HEIs staff members, however, it is not clear what the rules and procedures are within their institutions.

There are some new developments on the issue of salary and benefits within some HEIs. For example, several institutions have policies around incentives and in some private institutions shares of the company are given as a bonus. There are many rules and regulations present in the institutions, but rules are still lacking in some areas, such as anti-harassment regulations, rules on a healthy workplace, and rules around sickness. When the rules and regulations are in place there is not always follow up, the personnel may not know the rules nor abide by them (HESO, 2004).

The legislation of MU (2007:66) clearly indicates:

The university has the power to develop policies with respect to salary scales, ranking and promotion which provide protection against irrational decisions and which is internally fair and favorably fair compared with salaries offered by the public sector and will, in terms of local living costs, enable members of the academic staff members to enjoy a standard of living compatible with the responsibility, dignity and competence which the university may rightfully demand from them.

Furthermore, the new legislation of the university MU (2007:73) clearly indicates the role of the university on salary issues:

1. While the university shall adopt the general government policy framework for salary and increments, the senate will periodically propose new salary and increment scheme to the appropriate government bodies.
2. This salary scale shall take into account assigned university ranks and other factors including academic and other related non-academic experience and prior professional positions. It will thus be used to establish a proper salary level for each academic staff in the university.
3. Without limitation to the generality of the above, the university may also consider the following factors in fixing the salary of an academic staff.
   a) The academic staff’s recognized professional ability and reputation.
   b) Previous job experience in so far as it specially reflects unusual/exceptional (criteria needed) professional competence as opposed to routine job experience or better the staff get promotion based on the exceptional competence
   c) Previous salary (at the time when he/she is first hired by the university).
   d) Expenses, if any, in moving himself/herself and his/her family to the site of his/her work.
   e) The nature of the university's need for an instructor in the particular field.
f) Any other circumstances which may justify compensation beyond the maximum fixed by the university salary scheme.

The documents that are found on MU also suggest that it is up to the university policy to provide salary increments for its academic staff and technical assistants based on service year and results of performance as per the government regulations. An interview made with teachers also indicate:

“We got our salary increment based on the carrier promotion rules” (Teacher 2).

“It is the university that decides our salary scale though the scale is too low” (Teacher 1).

With regard to the low level of the salary the university pays, all of the interviewees (ten) replied that the salary is not competitive. They believed that it does not reflect the important role of HE in society and as a result the majority of teachers are forced to engage in private consultancy or work as part-time teachers at private universities and colleges to supplement their income. The worst consequence of this situation is the high turnover of talented teachers (Ayalew, 2008).

However, a careful look at the documents of the university and the MOE shows that the government set the general scale for each instructor at each level for all public universities and then based on the general scale the universities give the salary increment for their instructors. Therefore, the power of the university to set the scale of salary is limited only for distributing the already set scale by the government. In other words, the national government prescribes the university salary levels. Some studies indicated that in most cases, a university’s ability to determine overall salary costs is correlated with the form in which the university receives its funding (see e.g. Eastermann & Nokkala, 2009; Albrecht & Ziderman, 1992). If the universities receive funding from the state as a block grant, they are usually able to determine their overall salary costs independently. If the funding is allocated in the form of a line item budget, universities do not have the autonomy to determine overall salary costs.

Thus, it can be concluded that unless MU gets its budget based on block grant, it would be very difficult for the university to set attractive salary for its employee and retain its ‘best’ professors.

5.4.5 Discussion on staffing autonomy of MU

One of the dimensions of autonomy in universities is staffing autonomy. This is directly related with the ability of the universities to recruit their staff without outside intervention. The basic principle behind institutional autonomy is that institution operates better if they are in control of
their business (Fielden, 2008). Besides, it is believed that the ability of universities to decide on staff recruitment is largely related with the strength of autonomy they have on financial and academic affairs (Eastermann & Nokkala, 2009). Especially, it is also important to note that one of the important elements of staffing autonomy is the extent to which universities have control over the financial aspects related to their staff (Eastermann & Nokkala, 2009).

As it was indicated above, MU functions with little financial autonomy. The university’s budget, which is supposed to be found by block grant according to the proclamation, has not been implemented yet. In addition to this, MU is characterized by less academic autonomy. Contrary to the expectations, it appears to be true that MU is free to recruit its own staff without interference from the state. It must be noted, however, that the university strictly follows the national regulations. On the other hand, the term of employment is not a success story for MU. It was found out that the MOE centrally prepares the terms of employment and there is no room for negotiation. Even extension and part-time payments are not negotiable. Neither is there the mechanism to collectively negotiate since the teachers are not organized (Ayalew, 2008).

Furthermore, the bureaucratic governance model of the university clearly manifested itself in the recruitment procedure. It takes long steps or hierarchies to recruit an individual teacher. Therefore, the inability of the university to determine the salary of the staff and the hierarchical nature of the university are the main indicators that can be given for limited staffing autonomy. Besides, the inability of the university to negotiate strongly on salary and working conditions of the staff has its own negative influence. This might result in low motivation of teachers and high turnover.

**5.5 Academic autonomy**

This type of autonomy is primarily concerned with the universities’ ability to determine their own institutional strategy, to determine their academic profile, to introduce or terminate degree programs, and to decide on the structure and content of these degree programs. Besides, it is also focused on the roles and responsibilities of universities with regard to the quality assurance programs and degrees. Last but not least, the extent to which the universities’ ability to decide on students’ admissions shows the status of academic autonomy in most universities (Estermann & Nokkala, 2009).
5.5.1 Institutional Strategy

The institutional strategy relates to the ability of the university to define its basic mission in terms of research and teaching orientation and other activities and includes decisions regarding which actions are necessary to best achieve these missions. A thorough document analysis and interviews made shows that MU has its own vision that aspiring to be one of the leading HEIs of teaching and learning in Ethiopia and to continually improve the relevance of and quality of education, research and consultancy services to meet the development needs of the society (MU, 2007). The mission of MU also clearly indicates the methods on how to achieve it. For instance, it stipulates its methods as follows:

- Provide high-quality undergraduate as well as post-graduate programs in various fields that benefit the country, its citizens, and the world at large;
- Engage in relevant research that can support the development endeavors of the country, and artistic and scholarly activities that advance learning through the extension of the frontiers of knowledge and creative endeavor;
- Cooperate with governmental and non-governmental institutions to transfer knowledge in science, technology, mining, commerce, health care, development, etc.;
- Offer continuing and lifelong education programs for the personal enrichment, professional upgrading, and career advancement and the fulfillment of the needs of adults to grow further in knowledge thereby motivating, improving the quality and stabilizing the human resource needs of the region and the country at large; and
- Make the expertise of the university available to its local communities in ways that are consistent with its teaching and research functions and contribute to the social, intellectual, technological, and economic development of the country, the region, and the world.

However, surprisingly, seven out of ten (7/10) of the interviewees said that they do not even know the vision and mission of the university well. For instance, as one of the interviewees replies,

The vision and mission of MU are not well known by the community of the university. The main cause for this is they [staffs] were not included in designing them. Very few academics and administration staffs who were the member of the committee for strategic planning of the university set them with the strong guidance of the MOE (Teacher 4).

Similarly, it is found that there is a big similarity between the government and the university mission and vision. The mission statement of the government (MOE) strongly emphasizes the high
quality and relevance of teaching and research in universities that contributes to the well being of the society (MOE, 2007). This statement is clearly indicated in the mission statement of MU.

Furthermore, the intervention of the state can also be seen from the similarities of vision and mission statement of all public universities of Ethiopia.

    It seems that we have a ‘copy and paste’ vision and mission statements. If you see the vision and mission statement of all universities in this country, you can hardly find differences even in wording them (Teacher 4).

A careful look at the websites and documents of various public universities also clearly shows the sameness of their mission and vision statements. Furthermore, the documents found on MU showed that the MOE asked universities to prepare short and long term strategic planning. Workshops and seminars were given to all universities officials by the MOE on how to prepare strategic plans. However, all the trainings given were mainly on directing and pushing (directly or indirectly) universities to go on the same direction. As a result, universities took the centrally prepared vision and mission statements by making minor changes and adapted them to their situations.

Therefore, although the law clearly gives the authority for universities to prepare their own institutional strategies, it is clear that the university faces some restrictions not to deviate much from the country’s overall economic, political and social programs. In other words, what is written in the law and in practice like the other dimensions of autonomy, are not compatible. In a word, there are a lot of convictions but no evidences.

5.5.2 Academic profile
This is directly related to the ability of the university to introduce new degree programs or end existing ones. This freedom is, however, also affected by the way HEIs get their funding. As it is stated in the legislation of MU one of the powers and duties of the university is to develop programs of study and provide HE. In papers it seems that MU has the freedom to introduce new degree programs that are considered to be important by the senate and the board. However, it is also found that the MOE also forces universities to open new degree programs that the government wants.

A careful look at the HEP No. 650/2009 shows that universities are bestowed with the responsibility to have their own programs, implied though, as far as the envisaged changes are within the objectives stated under Article 4. Besides, the Article (8) sub article (2) of the same proclamation
also suggests that developing a program of study is the major responsibility of the universities. However, it seems that there are some anomalies in its practicalities. Respondents also have shown some variations on their answers. For instance one interviewee from the dean’s office comments:

*The actual practice in opening a new degree program at MU is somewhat free. As far as a faculty/department conducts an extensive needs/market analysis and justifies that envisaged program is under the priorities of the government (as stated in the proclamation, the EPRS, education sector review etc), it can open new programs. We have a number of undergraduate as well as Masters programs that were opened just because the faculties wanted to based on the needs analysis. Of course in some cases you may observe this right being misused (Dean 1).*

Similarly one interviewee from the department having agreed with the above comment on the practice of opening new programs, also reflects his observation on how MU ceases some programs:

*I can give you the example of Business Education that was closed by the university. [I] Don’t know the exact details but I think it has been said that there was no market for the graduates (Dept. Head 2)*

However, it seems that there is still interest of the government in opening new programs. An interview made with the dean of a particular faculty in MU shows:

*The university has the power to introduce new programs and cease existing ones. However, all these rights are determined by the financial capacity of the university. And as we all know the source of the funding is government. In other words, if the government allows the money for a particular degree program to be opened, the university will open it if not it won’t work. Therefore, the upper hand is still on the hand of the government (Dean 2).*

Hence, this practice shows that universities are free to open and cease new degree programs but their freedom must match with the interest of the state. In other words, directly or indirectly the establishment of new programs are negotiable. These negotiations are somewhat related to the financial implications of these programs. This might imply that as far as the MOE fails to implement block grant budgeting, the probability of universities to open a program of their interest will always remain compromised.

### 5.5.3 Structure and content of degree programs

The HEP (650/2009) grants the autonomy for all universities in Ethiopia to develop and implement relevant curricula and research programs in its article (8) and (17). However, it appears that there are some problems in its practicalities. Regardless of the proclamation, the government still interferes in designing courses and curriculums. The intervention of the MOE is some times bold in some programs.
For instance, one department head replies:

_Curriculum revision and program changes and expansion are not within the control of the university. MU is not fully enjoying these rights since some of the programs were centrally developed by the MOE” (Dept. Head 1)._

A case in point is the Teacher Education System Overhaul (TESO) program where the total credits, the courses as well as the description of the content were decided at the Ministry level. It was repeatedly pointed out that comments from the faculty were not addressed and the program has become difficult to implement (Ayalew, 2008). Some respondents, however, have the feeling that things are getting better from time to time than before. They believe that the intervention of the Ministry is not as strong as it used to be some years ago, though still exists.

**5.5.4 The Autonomy to decide on student admissions**

According to the Ethiopian HE law there are two kinds of admission criteria for undergraduate and postgraduate students. The law clearly stipulates admissions to undergraduate programs of any institution shall be based on completion of the preparatory program and obtaining the necessary pass marks in the university entrance examination. The law also further indicates admission may also be granted to students who completed their secondary school studies in foreign countries on the basis of equivalent academic achievements that shall be determined by the Ministry Article 39 (Proclamation No.650/2009).

Furthermore, the law under sub-article (2) of the same article above shows the Ministry shall administer the university examination and decide on the eligibility for admissions to any institution and based on this every insinuations have the rights and responsibilities to admit for undergraduate studies for graduate of preparatory schools those who pass the university entrance examination.

With regard to Masters or PhD level studies it seems that the university has relative autonomy to admit students who pass the entrance exam prepared by the university not by the Ministry. Sub-article (3) a of the same article grants the autonomy to universities to admit students for second degree level graduate studies, candidates who have completed their undergraduate studies with the academic results required by the institution; or, for doctorial program, candidates who have second level degrees and the academic results required by the institution.
This shows that the centralized placement of students in HEIs in Ethiopia is still practiced. Sub article (6) of the same article of the proclamation clearly indicates this trend will continue until “admission by public institution becomes feasible and desirable”. However, the law underlines the centrally designed placement of students is conducted in consultation with public institutions. Teachers, however, do not agree with the centrality of student placement. They have bitterly commented that a perennial problem encountered in this regard is the ever-increasing number of students assigned to the university without consideration of the faculty’s of human, financial and material (infrastructures/ equipment) resources available. Furthermore, they argued that the lack of consultation of the Ministry with regard to student placements resulted in crowded classrooms and congested student dormitories.

5.5.5 Deciding on placement of students per studies

As it is indicated above the Ministry coordinates the placement into the year I program of the university’s faculties. According to the MU legislation (2007) after the Ministry’s placement the next placement is processed by the admission and placement committee of the university and approved by respective AC. Besides, the same legislation indicates the university has also reserves the right to place students in its various programs in a way it seems fit.

According to the interviewee from the dean’s office,

*The University believes placement of students to different Departments as per their choice and interest has positive impact on their performance. However, due to many reasons, interest of students is not fairly distributed among available Departments. Hence placement of students based on fixed criteria is imperative (Dean 2).*

As a result the legislation of MU, (2007: 96-97) clearly stipulates the placement criteria as follows. The placement criteria will be based on *cumulative performance* of students in the Ethiopian higher education entrance certificate examination and the preparatory program, as well as positive discrimination to *females, disabled* students and students from relatively *disadvantaged regions*, if these students can produce a recommendation letter from their region. From relatively “disadvantaged regions” here refers to students who have completed high school education in “developing regions” or “relatively least developed regions” and who are native of the nationality of such regions or students from the nationality whose participation in HE is low, as stipulated in the HEP.

In addition to this, MU has placement criteria that are clearly written in the new legislation, 2007. Accordingly, students are to be placed to the various departments employing clear and transparent
criteria. Particularities of such criteria shall be determined by the faculties of the university, based on their specific requirements, the performance of students, and taking into account directives issues by the MOE, including those relating to special treatment of females, disabled students and students coming from disadvantaged regions.

Last but not least, a selection form is prepared and issued by the office of the registrar. The selection form shall include names of all departments and an instruction to students requesting to fill their preference rankings (First, Second, Third and so on).

Hence, this shows MU has relatively better autonomy on the placement of students to each faculty and department though the government still has the influence in setting the general directions.

5.5.6 Discussion on the academic autonomy of MU

Various studies note that one of the most important dimensions of universities’ autonomy is the academic autonomy they posses. It mainly emphasizes having autonomy in areas like setting institutional strategy, determining academic profile, introducing and terminating degree programs and deciding on students’ admission. More importantly, the ability of universities to decide on their academic profiles like conferring degrees in certain areas, and the ability to select students are the key issues in academic autonomy (Eastermann and Nokkala, 2009).

It is interesting to note that MU has the ability to open new degree programs and cease the old ones. But this autonomy is only practical if it is up to the interest of the state. Furthermore, the academic autonomy of MU is related to the financial autonomy of universities in the country. In other words, the unavailability of block grants is a factor for the narrow academic autonomy of the university.

The interference of the state is also visible in the vision and mission setting process. The law provides the autonomy to the university to set its own mission and vision. However, this freedom has to go inline with the national political, economic and social vision and mission of the country. In other words, though it seems that MU has the right to set its own mission, it is too similar with the MOE vision and mission. Besides, it is also found that all public universities in Ethiopia have almost the same vision and mission which shows the influence of the state in setting educational strategies of the universities.
Hence, it might be difficult if not impossible for MU to achieve its vision and mission with such magnitude of interference from the state.

5.6. MU reaction towards the new reform of HE

5.6.1 Changes in governance model of MU

Universities are one of the open organizations, which can influence and can be influenced by their internal and external environments. Besides, they may use various strategies to cope up with any influences that have the power to change them (Oliver, 1991). The governance structure of MU has been showing some changes since its establishment. However, the changes in organizational structure are mainly driven by the state centered reforms and routine guidelines. As it has been stated earlier Ethiopian HE system has remained to be elite system for many years. And its governance system was too traditional and mostly collegial in which elected leaders lead the departments, faculties and colleges. It is only recently that the country has moved from very elite system (two universities and some colleges) towards massification (21 universities functioning and additional 10 universities under construction and more than 50 reporting private colleges and universities. Therefore, this aggressive expansion leads to the introduction of new laws and reforms that result in changing governance model of universities. Some of the changes that are taking place at each level of the university are shown below.

A. Boards. All public universities in Ethiopia according to proclamation NO. 650/2009 are run according to the following governance and internal structure. There are governing and advisory bodies, academic units, administrative and technical support units; and office and other facilities necessary for undertaking properly their activities. The same proclamation further dictate the governing and advisory bodies of a public institution shall consists of the board, president, senate, managing council, university council, academic unit council, academic unit managing council and department assembly.

The board is the supreme governing body of the institution. It is also composed of seven voting members, including the chairperson; and the selection of members shall give due regard to merit-based gender balance. The Ministry selects and appoints the board chairperson and three additional voting members to the board. Unlike the former proclamation No. 351/2003 this new proclamation No. 650/2009 gives the right to the president of the university, in consultation with the university council and the senate, to nominate three other voting members of the board and submit their list for
appointment to the Minster. However, the president is a non-voting member and who is acting as the secretary of the board.

One of the interviewees from the faculty, however, says:

*I do not think this new reform or law will be easily implemented. Like the previous laws it might be only in papers (Dean 1)*.

The other interviewee comments:

*The inclusion of the academic staff in the board of the university is the result of a continuous resistance of the staff to the Ministry (Dept. Head 2)*.

A careful look at the new changes of the proclamation shows the government still controls the main decision making organ. However, the inclusion of three representatives of the academia might keep the balance of power. More importantly, MU immediately adapts itself to the new reform by expanding its structure and nominating new board members.

**B. Senate.** This is the leading body of the institutions for academic matters. According to the former proclamation No. 351/2003 article (37), the Senate was accountable to the Head of the Public institution. The membership for the senate according to the legislation of MU, 2007 article (6) requires persons who are of higher professional rank and who have outstanding educational background. In addition to this, persons who have rendered years of service to the MU or the constituent colleges/faculties regardless of rank can become members.

Furthermore, the same legislation clearly shows how the senate members are elected. Accordingly, in article (7) of the legislation it is pointed out that the MU academic staff shall elect, through appropriate mechanisms, two representatives from among its members for a period of two years. Besides, two representatives of the MU student community shall be elected through mechanisms that are convenient to the students for a period of two years. The new proclamation has not made any changes on the formation of the senate of universities. And hence, MU simply continues without making any change on its senate structure.

**C. Organization of faculties.** According to the legislation of MU, 2007 faculties consist of degree and diploma awarding departments, where applicable, and other academic units. Besides, the legislation further stipulates that for each faculty there shall be the AC, which is responsible, through the dean, to the president of the university. The composition of the AC consists of the dean of the faculty, chairperson; the academic vice dean of the faculty; the associate vice dean for
research and graduate programs; the head of the departments; representative of the office of the registrar; representative of the office of the dean of students; two staff representative from the faculty to be elected by the general assembly of the academic staff and one student representative. This is also remains the same as in the previous procedures.

It seems that the AC is responsible to set out its internal procedures and of course obliged to notify the senate though. Some standing committees characterize the organization of the AC. The standing committees are staff appointment, promotion, development and scholarship committee, faculty academic standard and curriculum review committee, academic staff discipline committee, faculty research and graduate committee, and some ad-hoc committees to accomplish some specific tasks. Besides, the AC has a regular meeting time at least once a month. However, the dean may hold meetings at any time or if requested in writing by one-third of its members.

The AC has plenty of responsibilities to perform. The AC exercises such powers and responsibilities as may be conferred upon it by the senate or the president. One of the main responsibilities is to arrange for, coordinate and control the teaching-learning process and the setting/marking of examinations in the faculty in accordance with the rules and regulations approved by the senate and issue general and specific guidelines for exercising these studies and powers.

The faculty members do not have the right to select their Deans. According to the MU legislation (2007), the president, in consultation with the AC of the faculty, shall appoint a dean from among the full-time teaching staff of the faculty. The manner of the consultation consists of meeting with the AC or seeking the nomination of three possible candidates from among whom the president can appoint one. The dean is accountable to the vice president for academic and research. The new legislation of MU, 2007, however, gives relatively limited opportunities to the academic staff to nominate their dean. The general assembly of the academic staff of the faculty nominates three possible candidates with a rank of a lecturer or above from among whom the president can appoint. And the term of the deans’ office is four years.

However, the new BPR, which MU has started to introduce since last year, totally changes the way of appointing faculty deans. Anybody who is the member of the academia and wants the position of the dean has the right to submit his or her credentials to the office of the president. And the president appoints whom he or she considers fit for the place.
D. Organization of departments. The department is the lowest academic unit of the university and each department has a head that is accountable to the dean of the faculty. The dean of the faculty, in consultation with the vice-president for academic and research, appoints the department head from among three candidates elected by the DC from the full-time academic members of the department with the rank of Lecturers and above. Besides, the term of office of the department head is two years. In each department of every faculty there is DC and its composition is consisted of all full time academic staff members of the department. It mainly deals with the department level issues and follows the same rules and procedures like the AC (MU Legislation, 2007).

However, there seem to be some changes in the functioning of departments with the introduction of BPR. Unlike the pervious formation, each department has various teams. As a result, the decision making process of the departments shows some changes. For instance an interview made with a civics lecturer in one department suggests:

To date, due to the implementation of BPR, departments are organized in different teams and a DC. Team refers to group of instructors with the same specialization. For example, in our team there are five teams. These are constitution team, development and public administration team, human rights team, philosophy team, and common course team. So, instructors who specialize in development will involve in development team and so on. Besides, teams have team leaders, and team leaders and the department head constitute the department council. So when there is a need for a decision in various matters of the department, first they are discussed and decided in a team level, and for final decision they referred to the DC and hence decision is made (Teacher 2).

Generally, it can be said that the way MU is responding to the new rules or laws is not dramatic. There are changes but slow and not fundamental. This implies the old rules still work. As a result, MU has top down governance approach. Appointments at all levels come from the top decision making organs. The role of the academia is just to nominate candidates for each position and the approval is left to the top officials of the university. The academia is there only to implement what the top hierarchies decide. Besides, it can be safely concluded that though MU has the full authority to organize its internal administration system, the level of participation of its staff is low.

5.6.2 Discussion on the governance model of MU

One of the organizational strategies that institutions use to react to a new reform is to change their governance model. The reaction can be in favor of or against the reform (Oliver, 1991). It can also be a big response and change or minor adjustments. In addition to this, the reaction of institutions
towards any reform might differ based on the type and magnitude of change introduced. Besides, the environment in which the institutions function matters a lot in the response of universities towards any change. In other words, organizations are dependent on their environment for resources towards any reform might differ based on the type and magnitude of change introduced. Besides, the environment in which the institutions function matters a lot in the response of universities towards any change. In other words, organizations are dependent on their environment for resources towards any change. In other words, organizations are dependent on their environment for resources towards any change. In other words, organizations are dependent on their environment for resources towards any change. In other words, organizations are dependent on their environment for resources. Hence, this might imply that the more dependent an institution is on resources from its immediate environment, the less powerful it is in bringing wider change. It is clear that the main source of funding for Ethiopian HEIs is the government. As a result, any changes mainly come from the government. The chance for universities is, therefore, to adapt to the change rather than confront them differently. That is why MU fails to make a drastic change as it wishes to do so. The introduction of BPR was expected to bring fundamental change to the organizational structure of the university, however, despite the nature of BPR, that strives to bring about radical and fundamental change, the changes are slow and bureaucratic in nature. The organizational structure continues to be tall rather than flat. Hence, it is more of a bureaucratic governance model.

5.7 Relationship between governance of MU and its autonomy

The issue of governance in HEIs cannot be detached from the issue of autonomy. In other words, the governance model of a particular university follows has both direct and indirect implications on its autonomy. A university that is characterized by collegial governance model and a university that is mainly under bureaucratic model do not have the same type of autonomy and effectiveness and efficiency in decision-making process. For instance, it is believed that the former has high autonomy but too slow in decision making, whereas the latter has less autonomy but fast in decision-making process. Therefore, the autonomy that we currently see in universities cannot be investigated without analyzing the governance model a particular university has.

A thorough investigation of autonomy at MU shows the university is operating under limited institutional autonomy. One of the main factors that influence the autonomy of the university is the governance arrangement the university has. As it is mentioned above the governance model of MU is mainly hierarchical or bureaucratic in nature. There is hierarchical organizational structure and uniform rules for the institution’s operation. Besides, the university’s goals are clearly specified, and the leadership makes all of the important decisions. As one of the interviewees from the teaching personnel comments,

*In this university power is concentrated in the top administrators. As a result, the lower level employees lack the motivation to implement the decisions (Teacher 3).*
The consequence of this bureaucratic governance model is reflected in the intuitional autonomy of the university. First, faculties and departments lack the autonomy to decide on major academic issues. Most of the decisions like student admission, developing curriculum, designing new programs, financial issues etc, come from the top administrators. Members of the faculties and departments hardly get the opportunity to provide their opinion towards major issues that primarily affect the departments or the faculties. However, this does not mean that they are totally excluded from decision-making activities.

It is true that there are clearly articulated rules and procedures that dictate how works are carried out. However, they are far from being flexible to challenge new incidents. Furthermore, there is lack of awareness of the staff on the rules and procedures of the university. For instance, one interviewee comments:

*I do not know the legislation of my university. It is difficult to find the legislation document unless you are a department head or a dean of the faculty (Teacher 1).*

Moreover, the strictness of the regulation of the university is also highly visible on the financial process, which is highly centralized. As a result, it becomes too difficult for the departments to spend money on educational materials and research. Emphasizing the centrality and bureaucratic nature of the financial issues one interviewee says:

*The process to get stationery materials from the university most of the time takes too long since the purchasing department is centralized. Payments for researches done in the department, part time classes for teachers etc., may take months. Consequently, teachers get frustrated with the centrality of the administration (Teacher 4).*

However, the hierarchical nature of the administration does not appear to have as much influence on the recruitment autonomy as on the other dimensions of autonomy. It seems strange to see the departments and faculties hire their own human resources without the intervention of the higher administrators. As long as the departments get the desired budget to recruit teachers they want, the recruitment procedure is totally carried out by the departments. Of course, however, the departments function according to the centrally designed rules and regulations.

Hence, it is difficult to conclude thatMU is totally functioning under the bureaucratic governance model. Though it mainly emphasizes on bureaucratic governance model, the university also uses various governance models. However, it can be concluded that the limited autonomy of the university reflects the bureaucratic governance model followed by the university.
5.7.1 Discussion on the relationship between governance of MU and autonomy

The status of governance in a particular university determines the extent of autonomy exercised. In other words, the governance structure available in one university directly or indirectly may influence the autonomy of the university (Panova, 2007; Lazzeretti & Tavoletti, 2006). This reality is clearly seen from the experience of MU. MU is mainly governed under bureaucratic governance model where decisions are taking place slowly and hierarchically. Consequently, the participation of the academic staff in strategic issues that are highly important for the effectiveness of the university is too low. Therefore, it can be concluded that the limited autonomy of the university is the reflection of the bureaucratic governance model the university follows and the strong interference of the state in trying to steer the HEIs.

Table 2. Summary of the status of autonomy in MU

<table>
<thead>
<tr>
<th>No</th>
<th>Dimensions of autonomy</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organizational autonomy</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>Financial autonomy</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>3</td>
<td>Staffing autonomy</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Academic autonomy</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
6 CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

This study has dealt with the conditions under which the relationship between the state and HEIs is determined. It mainly focused on showing the changing relationship of the state and HEIs in Ethiopia by taking the issues of autonomy and governance in detail. All of the factors comprising the result of this study were mainly based on the documents found in the university and from the MOE, and the views given by the respondents representing the university teaching staff, administration, department and faculty.

Consequently, to achieve the purpose of this study three inter-related research questions were raised:

1. How does MU react to the new reform of HE?
2. What is the relationship between the State and HEIs in Ethiopia?
3. What is the relationship between governance and autonomy in MU?

One of the main elements that helps to see the status of governance of a particular university is the organizational structure that it follows. Universities with many levels of decision-making hierarchies are characterized as bureaucratic. And most of the time in such kind of institutions the decision making process is rational and slow. Organizations react differently to new changes that are imposed on them by central forces like the state. The findings of this study with regard to the reaction of the MU towards the new reform show that the university is very busy in adapting itself to the government led reform of public HE. High conformity to the new rules and guidelines is observed. It is the state that dictates the reform. As a result, universities in Ethiopia are solely dependent on the state to get their funding.

Therefore, the changes are unidirectional and universities do not (at least) have the chance to resist the change. For instance, the efforts to make the organizational structure flat and responsive to the needs of the academia have been facing fundamental problems. The main problem starts from the origin of the change. In other words, the main driving force of the change is not the university but the government. As a result, the lack of interest or commitment is observed on the implementation of the change. The second factor is associated with the inadequacy of the study made by the MOE to instigate changes on the HEIs of the country. In other words, a thorough study has not been done by experts on the dimensions of the changes that are needed to be implemented in the HEIs.
Besides, not enough awareness-creating activities have been carried out in the university’s community. The real consequence of this failure can be seen in the confusions of the academia on the implementation of the change. The third problem observed is that the change misses its direction. For instance, one of the main objectives of the so-called BPR is to make the tall organizational structure of the university flat. However, having thoroughly observed the new organizational structure after the BPR, it is still tall even in some positions it becomes taller. This implies that there are many echelons between the top leaders and the line workers, teachers and administrative officers. This might result in slow decision-making process and inefficient performance of the university.

The relationship between the state and HEIs can be partially understood by the level of autonomy universities have. In other words, the more autonomous universities become indicates, the less is the interference of the state in universities. Organizational autonomy is an important factor in the efforts to bring about effectiveness and efficiencies. The study showed that most of the internal academic and administrative affairs fall under the university control; however the overall governance structure and leadership are often strongly designed and controlled by the national legislative frameworks. In other words, the university lacks the substantive autonomy. This means that the goals and programs, which are the souls of the university, are mainly designed and controlled by the state. The autonomy of the university is only limited to the procedural one, the means to which its goals and programs are pursued. The MOE is the responsible for forming the board of the university. The president, who serves as a secretary of the board, only represents the university as non-voting members of the board. Besides, the academic and administrative communities of the university have no power to elect their leaders. It is up to the MOE to appoint the executive leadership of the university. Though the HEP of the country and the legislation of the university clearly stipulate the merit-based nature of assigning the executive leadership of the university, practically the trend is more of political appointees. This situation might create an attitude of mistrust and dissatisfaction among the members of the academia whom regularly aspired for merit based promotion and career development. More importantly the inability of the university to set out its organizational goals and programs that are considered to be the pillars of the institution might affect negatively the mission and vision of the university.

Another crucial dimension of autonomy is the power universities have to decide on their budget allocation and use. Universities’ capacity to control fully and allocate their budget is the core element of their financial autonomy (Estermann and Nokkala, 2009). The financial autonomy of
universities is also highly interrelated with other dimensions of autonomy. In other words, this might imply that if universities fail to decide freely on their financial issues, it is unlikely that other dimension of autonomy of universities will function effectively. Cognizant of this fact, MU is functioning under limited financial autonomy. Though the law permits Ethiopian public universities to get their budget in block grant form, it has not been implemented yet. Budget for HEIs is allocated based on negotiations made between universities and the MOE at the end of the fiscal year. It is highly characterized by stringent financial rules and it is more of item line budgeting system. Consequently, the ability of the universities to shift funding between budget lines based on their priority is severely limited and compromised. Furthermore, currently the possibility of universities to keep surplus budget is unlikely, though the law permits to do so.

Thus, any efforts by the university to become a center of excellence and to play positive role in the economic, social and political development of the country without securing adequate financial autonomy might be jeopardized

Within the dimensions of autonomy in HE staffing autonomy is considered to be one of the main factors that shows the status of autonomy in a particular university. Especially the capacity of universities to recruit their staff without interferences from the state and the terms of employment are some of the main ingredients and indicators of staffing autonomy in a particular institution. Under the umbrella of the national regulations, MU is free to recruit its staff. In other words, the MOE does not interfere in the recruitment process of the university as far as the university strictly follows the national employment law. However, the unavailability of block grant budgeting system is severely affecting the university’s ability to ‘buy’ qualified teaching and administrative personnel from the job market, since the university cannot pay attractive or competitive salary based on the market. This implies that line item budgeting system does not give the autonomy for universities to determine the overall salary costs or scales.

Furthermore, it was found out that the MOE centrally prepares the terms of employment and there is no room for negotiation. Even extension and part-time payments are not negotiable. Neither is there the mechanism to collectively negotiate since the teachers are not organized. The central government set the general scale of salary for all public universities. Consequently, the role of MU is only limited to distributing the salaries for its academic and administrative personnel according to the already set scale. Unless the MU secures its budget in block-grant form and recruits quality employees competitively based on the market, sooner or later the quality of education which the
university aspires to achieve will face obstacles. Moreover, the recruitment procedure of the university is too long. This is mainly the result of the bureaucratic governance model that MU follows. There is less flexibility to act quickly in an increasingly competitive national recruitment environment for qualified personnel.

Hence, in some aspects, though MU has the freedom to recruit its staff and pay salaries, important elements of staffing autonomy, like the ability to define individual salaries are still controlled by the government. Besides the ‘civil servant status’ of the employees of the university shows a need to continue to change to more flexible forms of employment for university staff.

In terms of academic autonomy, MU is characterized as an institution that functions with a low academic autonomy. Strategic issues like the ability of the university to decide on its academic profiles, structure and content of the degree programs and the autonomy to decide on student admissions are highly restricted. It is found out that MU has the ability to open new degree programs and cease the old ones. But this autonomy has to be in compliance with the Ministry’s interest. In other words, if there are degree programs that are in the interest of the MOE, regardless of the interest and readiness of the university, they will be opened. Though further studies need to be done on the correlation between financial autonomy and academic autonomy, some of the findings show that the unavailability of block grant is deterring the ability of the university to open programs that are considered to be important. This might be an indication for the failure of the university. Besides, it might also affect the competitiveness of the university with the other national and oversee universities in recruiting students.

The university’s autonomy in setting its mission and vision is also to some extent compromised by the MOE. According to the HEP of the country and the legislation of the university, it is up to the university to set its vision and mission. However, the reality on the ground is different. Compliance with the Ministry’s vision and mission is implicitly mandatory. For instance, it is found out that all public universities in Ethiopia have almost the same vision and mission. This might show the influence of the state in setting educational strategies of the universities.

Last but not least, the ability of MU to select its students totally falls in the hands of the MOE. This shows that centralized placement of students in HEIs in Ethiopia is still practiced. Though some negotiations have been made between public universities and the MOE in the placement of students to the universities, it is still the Ministry that decides. A perennial problem encountered
in this regard is the ever-increasing number of students assigned to the university without consideration of the faculties’ human, financial and material (infrastructures/equipment) resources available. Furthermore, this lack of consultation of the Ministry with regard to placement of student resulted in crowded classrooms and congested student dormitories etc.

The organizational structure of MU clearly shows the university is more the bureaucratic governance model. Of course, however, this does not mean that other elements of governance model are not practiced. It is only to show that decisions are slow and a lot of hierarchies to take place. Surprisingly, even after the implementation of BPR, which was supposed to avoid vertical development, MU is still hierarchical in its decision making process. Stringent rules and regulations, which are designed both by the university and the MOE, are practiced. There are not enough rooms for flexibility.

The reform process, which is mainly carried out by the MOE, has not yet brought significant change in the overall organizational model of the university. Since government continues to be the sole provider of funding for the HEIs, there would not be significant organizational response or change in the activities of universities. Stating it differently, it is believed that the response of the universities cannot be substantial since the changes are dictated by the MOE. Therefore, this might be one of the main reasons that MU fails to make radical and fundamental change in its operation. In other words, MU is not far from the status quo yet.

The efforts to make MU’s administration more managerial and autonomous are facing big difficulties. Despite the fact that the HE law grants the autonomy for universities to get their budget in block grant form, it has not been implemented yet. The organizational structure continues to be tall rather than flat. Most decisions are pushed from the top to the bottom. This situation might create a sense of alienation among the academia and administrative staff.

Though it needs further investigation, the organizational structure or model of one particular university affects the status of autonomy of that university. The more the university has bureaucratic governance model, the less autonomous the university will be. Generally, this study mainly focuses on status of governance at institution level. However, to have a broad understanding of a particular country’s HE system, it would be necessary to make the study at a system level. In addition to this, issues like the interaction of different dimensions of autonomy towards each other and the influence they have on governance model has to be investigated more.
6.2 Recommendations

Based on the findings and the conclusion drawn from this study, it is important to provide workable recommendations that will help in understanding and solving the present phenomena of the MU and other HEIs in Ethiopia.

It is highly important for the policy makers to understand that change cannot bring about the desired result unless it is fully communicated with its implementers. It is, therefore, recommended that the MOE should establish a continuous forum with HEIs to make the change more clear and understandable. They should give the chance for the university community to participate not only in implementing it but also in designing it so as to develop the sense of belonging for the type of change needed. Furthermore, the state should give universities the autonomy to structure their internal governance structure. This might help universities to be flexible enough to challenge problems that have negative influence on their performances. Similarly, the executive leadership of the university should continuously inform and participate the staff about the new reforms before starting to implement them. Instead of taking for granted what is given by the state, university administrators should use other organizational strategies to take the change and the reform for their advantages. To do this a continuous negotiating with the Ministry is mandatory. Besides, having a strong board and leadership is a necessary condition for the university.

Furthermore, if universities missions and vision are linked with the overall economical, social and political developments of the country as in the case of Ethiopia, one of the requirements to achieve these goals is to let universities function independently without severe restrictions. This means universities need autonomy to compete effectively in the more globalised world and to guarantee quality of teaching and research for its customers. Therefore, it is high time for Ethiopian HE system to give universities relative organizational, financial, academic and staffing autonomy. The state has to let universities at least develop their organizational strategies, grant lump sum budgeting to accomplish their missions efficiently and effectively; develop their curriculum and programs to be up to date with the labor market needs; and to recruit their students based on the academic standards of the university and its capacity. A great part of the HE law grants autonomy especially financial autonomy to the universities, but has not been implemented yet. Therefore, the state has to implement
what is written in the proclamation, keeping the promise. Universities also have to involve in capacity building activities for their staff to benefit from the new reforms.

6.3 Limitations of the study and implications for further research

This study is done at the institutional level and it may not be comprehensive enough to see the full picture of the status of governance in Ethiopian HE system. Besides, the conceptual framework used to assess the relationship between government and university was not comprehensive enough to show the full picture of the status. Similarly, unavailability of previous work on the issue of governance in Ethiopian HE system affects this study. Due to time shortage the opinion of the MOE officials is not included. Therefore, so much has to be done to have a full understanding of the system. In this respect, this study would like to indicate multiple opportunities for further research.

To start with, more comprehensive research at the system level that employs multiple of research methods should be conducted to analyze deeply the dynamics of HE in Ethiopia. For instance, both quantitative and qualitative approach can be used to come up with more substantial data. A part from interview, focus group discussions can be a helpful instrument to get more important information. In assessing the status of governance and identifying the government-universities relationship, it is highly advisable to include the Ministry personnel or officials in such kind of study. Furthermore, different stakeholders who have the stake in the HEIs should be involved to analyze it more comprehensively.

Moreover, it is also important to explore the relationship between the state and HEI by critically comparing various past reform documents with the current one so as to see vividly what changes have emerged in different points of time and what causes these changes. Last but not least, the impact of massification in the governance arrangement of Ethiopian HEIs can be studied broadly.
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APPENDIX

Appendix 1: Semi-structured interview questions

Sample Interview questions

Questions related with institutional autonomy

1. Organizational autonomy
   1.1 Do you have the power to form your own organizational structure?
   1.2 How are the governing bodies formed?
   1.3 Who will involve in selecting the external members if there are any?
   1.4 What is the authority of the university/faculty/department etc in controlling the academic issues?
   1.5 Do the university members (academic or administrative) participate in selecting their executive leadership (president, vice president, deans etc)?
   1.6 What is the role of the president in the governing board of the university? (Document analysis)
   1.7 What is the relationship between the president and the senate?
   1.8 The independent legal status of the university?

2. Financial autonomy
   2.1 The extent to which the university accumulate reserves?
   2.2 The extent to which the university keep surplus on state funding?
   2.3 The ability of the university to set tuition fees?
   2.4 The ability to borrow on the financial markets?
   2.5 The ability to invent in financial products?
   2.6 The ability to issue shares and bonds?
   2.7 The ability to own the land and building that it owns?
   2.8 The ability to control and allocate its budget internally?
   2.9 The way or the methods in which funding is allocated to the university?

3. Staffing autonomy
   3.1 The capacity of the university to recruit its own staff?
   3.2 The types of the term of employments? (civil servant or not)
   3.3 The recruitment procedure related to the appointment of senior academic staff?
3.4 The ability to determine the staff salary and working conditions?

4. Academic autonomy

4.1 The opportunity to define its institutional strategy?
4.2 The ability of the university to define its own mission with regard to teaching and research?
4.3 The autonomy to define its own academic profile?
4.4 The autonomy to introduce and or terminate degree programs?
4.5 The autonomy to decide on the structure and content of the degree programs?
4.6 The role and responsibility with regard to the quality assurance of the programs and degrees?
4.7 The autonomy to decide on student admissions?
   4.7.1 The autonomy to decide on the overall numbers of students
   4.7.2 The autonomy to decide number of students per discipline?
   4.7.3 The autonomy to control over student admission mechanisms?
   4.7.4 If they need to comply with special quotas?

II. Questions related with governance model

1. What governance model does the University follows?
   1.1 Collegial?
   1.2 Hierarchical?
   1.3 Political?
   1.4 Anarchic?

2. The impressions of the staff towards the new reform?
3. Changes implemented after the new reform?
4. The role of the university community in the reform process?