

Governance Imperative on Strategic Management of Higher Educational Institutions in Nepal

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Abstract

Higher education institutions (HEIs) are supposed to play a catalytic role in transforming society through teaching, research, and extension to address the challenges faced by the society. For the same, HEIs have to design, implement, monitor, evaluate and control feasible strategies in changing context. In this backdrop, the objectives of this research were to uncover the governance of HEIs in Nepal and assess how the governance of HEIs contributes to strategy formulation, implementation, monitoring, evaluation, and control the core business of HEIs. Using the global literature on higher education governance and strategic management, this research uncovered the governance of higher education in Nepal and its impact on strategic management. Interviews with university officials, Campus Chiefs and qualitative secondary data revealed that the exogenous influences from intra-governmental organizations such as the World Bank and Asian Development Bank (ADB) is high in framing higher education policies, plans and programs. The internal governance within the country was strong in the past, but is gradually becoming weaker. This is due to the intervention of interest groups within higher education sector to give it a political flavor for their benefit. Institutions with strong internal governance demonstrate sound strategic management practices that steer them towards their core business and can transform themselves and play a catalytic role in society, not only in the present but in the future also.

Key words: external governance, governance, higher education, internal governance, strategic management

Introduction

The dramatic restructuring of higher education has resulted in a shift in the relationship between the state, universities, and other higher education institutions (HEIs). This has led to a new role for higher education, considering

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new social and economic demands for knowledge and educated labor as well as new mechanisms for steering higher education and its instruments. The implications of this shift are complex, such as how HEIs are defined and understood, their role in society and communities, the nature and status of academic work, the ways they are funded and supported, and how they decide what they do and how they do it (Reed, Meek, & Jones, 2002).

Not only is higher education important for individuals, but also for social upliftment and creation of a knowledge-based economy across the world. Higher education fosters equity and sustainable development. HEIs must demonstrate their presence by producing higher-quality graduates and researchers with the necessary skills, knowledge, and experience to address society's current and future needs. To this end, HEIs must be appropriately and effectively governed to realize the goals pursued by HEIs in a changing environment. The success or failure of an HEI largely depends on the type of governance system that it adopts, nurtures and practices. University governance is becoming increasingly important to ensure that higher education systems are managed effectively.

Literature review

Governance of HEIs: Concept

The concept of governance is multidimensional and involves multiple interpretations by different people. For Dill (2014), "governance" is the set of governmentally determined policies that assure the proper functioning of organizations and their acceptance by the public. Governance, on the other hand, encompasses non-state actors in a broader sense than government, with the lines between the public, private, and voluntary sectors blurring and becoming opaque (Rhodes, 1996). It assumes a decision-making structure and performance evaluation (Pandey, 2004).

The term "governance" is used to describe all the structures, processes, and activities involved in the planning and direction of institutions and people working in tertiary education (Fielden, 2008). It is a conceptual shorthand for the way higher education systems and institutions are organized and managed (Neave, 1994), "who makes what decision." It comprises the systems and procedures under which organizations are directed and controlled. It is the structures and processes by which HEIs and systems are governed in their day-to-day operations as well as their long-range policy making (Kaplin and Lee, 2006). For Kaplin and Lee (2006), governance includes: i) the organizational structures of individual institutions and (in the

public sector) of a statewide higher education system; ii) the delineation and allocation of decision-making authority in those organizational structures; iii) the processes by which decisions are taken; and iv) the procedures and forms in which a decision may be contested.

In this context, this research attempts to uncover the governance of higher education in Nepal, internal governance in particular, and its implication for strategy formulation, execution, monitoring and evaluation (M & E), and control.

Models of governance in HEIs

There are differing perspectives on HEI governance models (e.g., Neave & van Vaught, 1994; Shattock, 2006; Shattock, 2016; Clark, 1998). Neave and Van Vught (1994) have described a continuum at one end of which is the "state control model" where the center seeks to control its universities, alternatively known as "top-down," where institutions merely respond to government-inspired policies of the state, and at the other end is the "market model," where higher education has been left free to the market. Thus, the state control model, semi-autonomous model, semi-independent model, and independent model are the most prevalent types. The state control model is considered an externally influenced governance model in which higher education is perceived as a public institution operated by the state with the aim of meeting national goals. Universities are strictly supervised and their administration is controlled by the state, and they are given very little autonomy. There is a strong tie between universities and the government (Davidovitch & Iram, 2015). The state supervision, or self-ruled, model is driven by the freedom to learn and pursue research. The main features of governance are a high degree of autonomy, a lack of institutional coordination between the universities' strategies, and political or industrial goals. Higher education is conducted with no plans for human resources. It internally influences the governance model, which is known as a "bottom-up approach," where government policy follows rather than tends to change the process initiated at the department, faculty or institutional level. The main features of governance are a high degree of autonomy and a lack of institutional coordination between the universities' strategies. (Davidovitch & Iram, 2015). At the extreme of the continuum, the market-oriented model, HEIs function more efficiently by drawing inspiration from the capitalist approach characterized by a condition of competition and a free market. The government is not involved in designing and planning the system of higher education, rather, it involves itself in promoting competition

and increasing quality assurance and transparency in academic institutions (Davidovitch & Iram, 2015).

The literature mentions a number of governance approaches, including collegial, bureaucratic, professional or corporate (Middlehurts, 2004), anarchic (Buchanan & Devletoglou, 1970), entrepreneurial (Clark, 1998), political (Baldrige, Curtis, Ecker, & Riley, 1991), and cybernetic (Birnbaum, 1988). McDaniel (1996) has identified five key areas that have a significant impact on a particular model, including finance, general aspects of management, educational matters, personnel policies, and student affairs.

External governance: HEIs are complex organizations with diverse stakeholders, and their actions are not measurable in financial terms, but have a tremendous impact on society (Pandey, 2004). External actors play a pivotal role in governing them. External governance is the process of governing institutional affairs through the framework of public laws and regulations. It involves external sources of law and can be public or private. Safeguarding public interest is a major focus of external public governance (Dill, 2014, 2017).

Structures and processes that govern public external affairs are considered public external governance. Similarly, the structures and processes by which private associations and organizations participate in the governance of higher education are called private external governance. External private governance actors include the Teachers' Association, the Employees' Association, the public interest, and lobbying organizations that support a specific cause.

Internal governance: According to Dill (2017), internal governance involves the processes of coordinating and controlling academic activity to assure the public interest by the universities. Substantial professional autonomy has been given to the academic staff in institutional decision-making to cope with the complexities of university work. Consequently, the issue of internal governance is of the utmost importance in such institutions.

In the world, an increasing concern is about the governance of HEIs. Universities and HEIs should be at the forefront of role modeling of sound governance models in society in accordance with their mandates. Compliance with relevant legislation and the country's higher education policies is a necessary but not sufficient condition for sound and meaningful governance within universities. The HEIs must be able to translate the sound governance model experience to future leaders and decision-makers through their university experience (Thomas, 2009). Academic governance in developed countries has

always been influenced by the norms and traditions of the university sector within the country. University governance has been influenced by the regulatory frameworks of policies and laws influencing each nation's higher education system (Dill, 2017).

Framework of governance of HEIs

Higher education is a public good, and its ripple effect is to be felt by society and the economy. The most important role of the state in relation to tertiary education is to set a vision and a strategy for the sector, and this generally involves seeking answers to questions like (Fieden's, 2008).

1. What is higher education for? What are the principal goals that it should achieve in our country?
2. Who manages the system overall? What central agencies are needed?
3. What powers are retained at the center? How much autonomy should institutions have?
4. What kind of accountability is required? What kind of regulation and reporting is required?
5. How is research in the tertiary sector managed?
6. How will these targets be achieved—by what forms of institutions, in what mode, over what time?
7. What is the role of the private sector and the community?

Clark (2003) directs attention to three primary levels: the understructure (basic academic or disciplinary units), the enterprise structure (individual organizations in their entirety), and the superstructure (a vast array of other systems of government and other related organizations). He alludes to the fact that the academic oligarchy, state authority, and the market create the context for the governance of higher education.

Strategic management of HEIs

Strategic management is essential for organizations to achieve their goals in a competitive environment. It involves setting, communicating, and implementing long-term strategic aims. Martin (1992) argued that the internal locus of governance and control is a critical factor for successful strategic management. Hitt, Ireland, & Hoskisson (2012) found that strategic management involves the full set of commitments, decisions, and actions required for an organization to achieve a set of goals. This research aims to bridge the gap between governance and strategic management in HEIs.

The evolutionary history of higher education in Nepal

Tri-Chandra College, which was established in 1975 B.S., was the hallmark of higher education in Nepal. It was affiliated with Patna University; later the affiliation shifted to the University of Calcutta, which controlled academic matters, and the rest were governed by the Government of Nepal (GON). The United States Operation Mission, with the agreement of the General Agreement for Truman's Point Four Program, is involved in the process of democratizing Nepal through the medium of mass education. In 1956, GON formed the National Education Planning Commission, and as an expert, Dr. Huger B. Wood was appointed as an educational expert from the USA, which is considered a large-scale exogenous influence on Nepal's educational policy development.

The Education Commission recommended the government to establish a national university with major functions such as accrediting, supervising, and coordinating colleges, teaching, research, and public service, including extension and field work. It also recommended making the university free from political influence and establishing a self-governing autonomous modality (Pandey et al., 1956).

Tribhuvan University (TU) was established in 1959 as an autonomous, self-governing university in Nepal. It outlines the governance modality in which the Senate, Academic Council, Executive Council, Dean's Office, and Campuses are the organs.

The Holistic National Education Committee was constituted under TU by the King in 1963 AD to report on higher education governance and management (Thapa et al., 1963).

A radical reform on governance and management of education in the country was introduced by the National Education System Plan (NESP) from 1971-1976 and implemented in 1973. All the colleges from the government and the community were brought under the TU umbrella and made constituent campuses of TU, and the sole responsibility was entrusted to TU. On the verge of NSEP implementation, TU could not accommodate the growing demand of students because of financial constraints, and student movement spread throughout the country constrained the smooth implementation of NESP, so TU again allowed for affiliation to the campuses open and running by academicians in the country.

In 1980 AD, the Royal Commission on Higher Education suggested opening up a separate Sanskrit university in the country for the preservation and

promotion of Sanskrit in the country, and in 1981, a separate university, namely the Nepal Sanskrit University, was established by splitting the Institute of Sanskrit from TU. The aim was to introduce a multi-university system in the country and to preserve and promote Sanskrit, which is considered a precious tradition of Nepal.

In 1980 AD, multilateral organizations such as the World Bank and ADB became dominant in Nepal's education system. They started to support Nepal's educational reform from primary school education to higher education in the form of grants, loans, and technical assistance. Their support was based on neoliberalism, a theory of political and economic practices that posits that human well-being can best be advanced by liberating individual freedoms and skills within an institutional framework characterized by free markets and free trade (Regmi, 2019).

In 1990, Nepal witnessed multifaceted changes with the change of the political system by overthrowing the Panchayat system and introducing the democratic system. The adoption of liberal economic policies by the government and globalization have had a lot of impact on Nepal's education system.

In the arena of globalization, supranational organizations have been playing a role in educational policy decision-making, especially in aid-dependent and weaker countries. One of the fundamental assumptions of these supranational organizations is that market mechanisms steer the efficiency and effectiveness of service delivery.

Methodology

This research is guided by two research questions: i) What are the governance mechanisms in HEIs in Nepal? and ii) What are the implications of these mechanisms for the strategic management process of these institutions? The data were collected through the study of the strategic plans of six universities in Nepal (TU, KU, PokU, PU, AFU, and MWU), twenty affiliated community-based campuses, six autonomous TU constituent campuses, two central departments, and one constituent campus of TU certified for QAA by UGC. Similarly, two focus group discussions, interviews with twenty campus chiefs each from a community-based affiliated campus, and interviews with VCs, Registrars, and Deans were conducted. Based on the interviews, FGDs, and secondary data sources, the collected data were thematically analyzed, and thematic discussions were established. This research uncovers the external and

internal governance of higher education in Nepal and its consequences for the strategic management of HEIs in the country.

Findings and discussions

The higher education scenario at present

Currently, Nepal has eleven universities² under the umbrella of the Ministry of Science and Technology (MOEST) as an autonomous, corporate, self-regulating form, with a total of 1440 campuses/schools, including 150 constituent (10.42%) campuses, 753 private (52.29%), and 537 community-based (37.29%) affiliated campuses in the year 2020/21 (UGC, Forthcoming). Recently, two new universities³ have been established by separate acts, and initiatives for establishing a few more are in the process. Similarly, six medical academics⁴ function as degree-granting authorities under the Ministry of Health and Population (MOHP). In addition to this, five provincial universities and two health academics have been established by provincial governments, and plans to establish a couple of universities and health academics have been initiated. Further, in the country, fifty-eight HEIs affiliated with foreign universities offer academic programs.

The gross enrollment ratio for higher education considering the age group span of 19–22 is 17.77. In the year 2020/21, a total of 460,826 students were enrolled in higher education. The enrollment proportion in terms of the field of study was 79.28% in general programs and 20.72% in technical programs. The share of student enrollment in constituent campuses was 36.51 percent, with 29.08 percent in affiliated community-based campuses and 34.40 percent in affiliated private campuses. The GPI of HE in the year 2020/21 was 1.09. There was significant variation at the bachelor's level of study (89.17%) and at the master's level of study (10.83%), but there was a significant variation among the universities and programs (UGC, Forthcoming).

External governance: Actors and aspects

Internal law is circumscribed by external laws created by federal, state, and local governments through their own governance processes in which external law takes precedence over internal law. As a result, internal law must be framed

2 TU (Estd. 1959), NSU (Estd. 1986), KU (Estd. 1991), PU (Estd. 1994), POKU (Estd. 1997), LBU (Estd. 2005), MWU (Estd. 2011), FWU (Estd. 2011), AFU (Estd. 2011), NOU (Estd. 2017) and RJU (Estd. 2018).

3 Madan Bhandari University of Science and Technology and Bidushi Yogmaya Ayurved University

4 BPKIHS (Estd. 1993), NAMS (Estd. 2002), PAHS (Estd. 2006), KAHS (Estd. 2011), POAHS (Estd. 2016), and RAHS (Estd. 2017)

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in the context of applicable external law. In relation to external governance, the Constitution of Nepal, the Legislature/Parliamentary Committees such as the Social and Public Accounts Committee, the UGC act, individual university acts, acts of professional councils, the periodic plans of Nepal, the higher education policy and the government's annual plan, and policies are the frameworks that set up the external governance of higher education.

The Ministry of Education, Science, and Technology: The GON, through the Ministry of Education, Science, and Technology (MOEST) and the Council of Ministries, sets various enabling criteria and frameworks for universities. MOEST has been given the mandate for higher education. MOEST's primary role is the formulation of a legal framework, national policies, and programs; allocating resources to education sub-sectors; coordinating the sector; and reviewing the implementation progress of national programs. In addition, it acts as a line ministry for the institutions associated with it.

University Grants Commission (UGC): UGC performs the functions entrusted to it in allocating public financing for higher education appropriated by the parliament to various HEIs, advising GON on the establishment of new universities, certifying the QAA of HEIs, coordinating and monitoring HEIs, formulating and implementing quality improvement programs, and establishing the equivalence of qualifications of Nepalese universities and foreign institutions. Similarly, the quality assurance and accreditation systems initiated by the UGC for the maintenance of the quality of higher education in Nepal are major pillars of the governance of higher education.

Medical Education Commission: The Medical Education Commission has been entrusted with developing medical education, regulating it, and maintaining quality, professionalism, and institutional accountability in Nepal. All academic matters from this sector have been entrusted to the commission.

Professional councils on academic management: According to the professional council's acts, professional councils are responsible for maintaining professional standards. However, they have been involved from the very beginning of the establishment of academic institutions, licensing examinations, and so forth.

- Nepal Health Professional Councils
- Nepal Medical Council
- Nepal Nursing Council
- Nepal Ayurveda Council
- Bar Council of Nepal
- Nepal Veterinary Council

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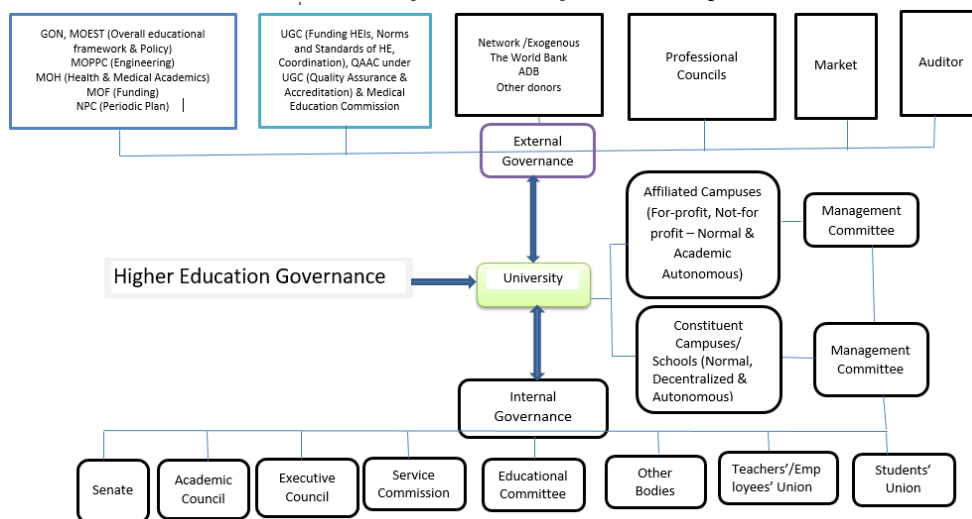
- Nepal Pharmacy Council
- Nepal Engineering Council

Periodic plans of Nepal: So far, Nepal has implemented the Fourteenth plans (2073-2076) and the Fifteenth Plan (2076-2080) is under implementation. The plan mentioned human resource development for social and economic transformation as a mission and creative, competent, competitive, productive, innovative human resource development through quality education as a goal of the education sector. Similarly, to create a knowledge-based society and economy by enhancing access and quality of higher education, which is to be made scientific, innovative, research-oriented, technology-friendly, and employable, is the main objective of higher education. To achieve these ends, the plan mentioned at least four strategies and a number of tactics (NPC, 2018).

Education policy: Universities must adhere to GON policies related to higher education. The recent policy issued by GON is education policy 2076 B.S. The policy mentioned vision, mission, objectives, policies, strategies, working policies, and institutional provision for implementing the policies in the country.

Supra organization: During the 1980s, the neoliberal world order brought an exogenous influence on world politics reduced the potential of state-controlled political and economic systems. As a result, several non-state actors, including the WB, started to launch educational projects according to their own interests (Regmi, 2019). International benchmarks such as performance-based indicators and the results of standardized assessments are used to measure the success or failure of the national education system (Regmi, 2019). A key feature of global governance promoted by supranational organizations is that they work by creating networks with the national government, private sector, and supranational organizations instead of working independently (Regmi, 2019). It is evident that key policymaking, financing, and management functions are shared by the national government, the private sector, and supranational organizations.

*Figure 1
Governance framework of HEIs in Nepal*



Internal governance of HEIs in Nepal

Within the framework of the act, Nepalese universities operate as corporations. They have the authority to create their own rules, allowing them to exercise a greater degree of autonomy in financial matters than in the past. The Universities Act, amended by some Nepalese acts, 2064, stated that, notwithstanding anything contained in the act, the approval of the GON shall be taken while framing rules or performing any act in case such a matter causes additional financial burden to the GON. As per this provision, all universities have to get permission from the GON, which limits their autonomy regarding the financial burden shouldered by the GON.

Nepal's universities are given the mandate to teach and conduct research at the highest level by providing the right to self-governing autonomous bodies. Because of the complexities of university work, academic staff in many countries have traditionally been granted substantial professional autonomy and institutional decision-making. Consequently, the issue of internal governance is of utmost importance in such institutions. Hence, they can formulate and adopt internal regulations that guide their operations and management, particularly in terms of human resources, finance, and

administration. There are various organs found in the university structure. All universities have the Senate, Academic Council, Executive Council, the Institute/Faculty, and the Campus (Constituent and Affiliated) that are common to all universities, but there is variation in their composition. The Campus Chief is responsible for managing the campus.

Universities in Nepal are autonomous institutions established through individual acts of the parliament and have an authority to frame rules within a given framework. The Prime Minister and Education Minister act as Chancellor and Pro-Chancellor, respectively, of the university senates, except for NOU, where the education minister acts as the Chancellor of the university. The Chancellor chairs the university senate and approves the rules of the university. The majority of the executive powers, including framing university regulations, are vested in the Executive Council. The Vice-Chancellor acts as the highest authority in a university. The university's highest authority in terms of executive powers is vested in individual officials. Awarding academic degrees, creating staff positions, hiring and firing staff, adjusting staff salaries and benefits, and determining student fees are the responsibilities of the universities. They administer academic programs through their constituent and affiliated (not-for-profit and for-profit) campuses or schools. Constituent campuses are integral parts of the university, and their entire function is governed and regulated by the legal framework of the parent university. The academic aspects of the affiliated campuses are governed by the university, and the rest of the aspects are self-governed.

Senate: The University's supreme and authorized body is the assembly (senate). The minister or state minister of education serves as the pro-chancellor (or, in the case of the Nepal Open University, as chancellor). Senate meetings must be held at least twice a year, once for the regular business and once for the special business. Each university has its own assembly (the Senate for the NSU) as the supreme body responsible for the functions delegated by the Act. The composition of the assembly includes: i) ex-official members; ii) elected members; and iii) nominated members. Except for ex-officio members, the remaining members of the Senate get appointed by the Chancellor upon the recommendation of the executive council.

The Academic Council: The Academic Council is the main body of educational and academic matters after the Senate. Its rights and duties are mentioned in the respective university acts. Except for the ex-officio members, the remaining members are to be appointed by the VC.

Executive Council: The Executive Council is the main decision-making body of the university after the Senate. Except for the ex-officio members, the remaining members are to be appointed on the recommendations of the VC by the Senate.

The University Service Commission: The University Service Commission has been entrusted with making recommendations for the appointment and recommendation of the teachers and employees of the university. The University Service Commission has to use academic competency and experience as the main grounds for making appointments and promoting teachers, and administrative efficiency and experience as the main grounds for making appointments and promoting employees.

Governance of constituent campuses

By virtue, the constituent campus is an internal part of the university. The campus is headed by the campus chief, who has been appointed by the executive council that looks after the campus. There is a department/subject committee as per the program offered by the campus. The library, administrative organs like administration, accounts, examinations and other organs, are an integral part of campus management and administration. The campus delivers the university's academic programs approved by the central authority of the university. The campus as a venue and cost center has its own budget approved by the university senate as the supreme body.

Governance of the affiliated campuses

Affiliated campuses are categorized as not-for-profit and for-profit affiliated campuses, running academic programs from bachelor's to master's levels and a wide range of programs not offered by the university to which they are affiliated. The programs run were developed, approved, and degree-awarded by the university, and the only thing they have to do with academics is follow the curriculum, teach students, and assist students in their learning. The final examination and the results are the responsibility of the university. Besides the academic matters, the entire responsibility in financial, physical, human, and institutional are vested in the institution.

The affiliated community campuses have their own rules. Generally, an assembly or senate comprising personalities such as social leaders, academics, donors, teachers, entrepreneurs, business people, industrialists, social workers, and general people are to be members of the senate or the assembly. Out of the assembly, they form a campus management committee,

and the campus chief serves as the member-secretary of the management committee. The ultimate management and administration are vested in the campus management committee. All day-to-day academic and administrative tasks are to be performed by the campus chief, appointed by the management committee. There are departments based on academic programs run by the institution, a library, administrative organs like accounts, administration, examinations, procurement, and so forth, and diverse institutions.

In contrast with affiliated community campuses, the for-profit affiliated campuses are managed and controlled by the investors, in the form of partnerships or private limited companies. The general assembly, or forum of investors, selects the board of directors and serves as a management committee also. The campus chief is responsible for the board of directors and serves as a management committee also. As with other affiliated campuses, the academic departments, libraries, and the administrative organs also prevail and are diverse from institutions to institutions.

Shifting governance pattern: Decentralization to academic autonomy

TU received an IDA credit worth USD 20 million for the reform of Tribhuvan University (TU) to support the implementation of policy changes in higher education and the initiation of systemic changes in the administrative, financial, and management processes. The project period was from December 21, 1993 to November 1, 2001 and aimed to facilitate development by upgrading laboratories and library resource centers and reconstructing the existing facilities at the main Kirtipur campus and two other lead campuses. As part of this project intervention, TU crafted its internal law, the TU Decentralization Rules 1998, which gives their constituent campuses certain rights of central authority to the campus management and Campus Chief. These Rules provide certain financial and appointive rights to the Faculty, Institute, Research Center, and Campus levels.

The Second Higher Education Project (SHEP) (February 19, 2007–June 30, 2014) aimed to convert TU's decentralized constituent campuses to autonomous campuses (World Bank, 2007). TU crafted the TU Autonomous Institute and Campus Rules in 2005 to provide autonomy to its campuses (TU, 2005). At the end of the project period, four campuses were converted into autonomous campuses, and a quality assurance and accreditation system and a student financial assurance system were established. The TU Autonomy Rules also provide entire power to the Campus Management Committee, which functions as a responsible body at the campus level,

subject to the central approval of certain aspects of staffing and procurement-related issues.

The Higher Education Reforms Project (February 19, 2015 to June 30, 2020) asserted the autonomy concept of TU constituent campuses as well as other schools/campuses of other universities, taking academic autonomy beyond the one introduced by SHEP (World Bank, 2014). The Campus has been able to design the curriculum of academic programs, conduct examinations, and TU has to provide a certificate for the same. A similar provision has been made by Mid-West University recently, and other universities have also moved towards granting academic autonomy to their constituent campuses, with the QAA system having to become fully autonomous in terms of segregating funding responsibility.

The policy decisions and reforms within the higher education system in the name of decentralization, autonomy, and QAA in Nepal have changed the nature and scope of educational governance in the country, while supranational organizations are asserting their influential role in shaping educational policy decisions, especially in aid-dependent countries like Nepal, as mentioned by Regmi (2019).

University teachers'/employees' association as actors of governance

The role of teachers is critical, as they are major actors in university governance. They are part of the University Senate, the Academic Council, the Education Council, the Executive Council, the Research Council, and so forth. Most of the teachers are aligned and affiliated with the sister organization of the political parties within the university system. Legally, there are the University Teachers' Association (university wise), the National University Teachers' Association (NUTA) (nationwide), and faith-based university teachers' associations, such as the Democratic University Teachers' Association, the Progressive University Teachers' Association, and so forth.

The Teachers' Association and Employee Associations have to act for professional and academic advancement, arguing for professional standards and avoiding non-academic matters. They lobby to appoint academic leaders in their favor, and their interests are in the transfer and promotion in favor of their own members. This has led to a worsened internal governance scenario in the Nepalese higher education system.

Student union as an actor in governance

The students' union movement has a long history in Nepal. Mainly, the role of students is political transformation when there is no space for political voices outside universities or institutions. Actually speaking, the students' union had no opportunity to engage in academic agendas directly related to students. Most of the administrators are blamed for their failures in the students' politics.

Governance imperative in strategic management of HEIs

Nepalese HEIs have been facing numerous challenges and opportunities too to develop themselves in the knowledge society to create a knowledge economy. In the midst of opportunities and challenges, the HEIs have been engaged in developing a strategic plan to steer themselves toward more responsive and developed HEIs to achieve their goals and objectives. Either by exogenous influence or internal steering, their efforts to manage HEIs strategically did not yield the results as expected. Global literature reveals that governance has direct implications for the strategic management of HEIs. The Nepalese universities have a full range of autonomy, and in such a situation, sound internal governance is necessary to effectively formulate, implement, monitor, evaluate, and control strategies. In relation to this, Martin Chautari mentions that the main governance challenge of HEIs is an internal one (Martin Chautari, 2015. p. 6). It further goes on like:

The internal governance of Nepal's universities has been weakened by the interventions of the political parties in their affairs. The nominations of individual top managerial positions in all the universities along party lines (N. Bhagbanda) have produced debilitating consequences for the internal governance of the universities. In addition, the unionization of faculty members, students, and administrative employees along party lines has further contributed to the weakening of the academic environment at Nepal's universities. (Martin Chautari, 2015, p. 3).

The constitution of Nepal (2015) entrusted the higher education authority to the provincial and federal governments, but GON has not been able to decide on it. To address the existing government and governance challenges, it is desirable and necessary to reform the external and internal governance and management of higher education. Varghese (2011) suggested focusing on the planning and management capacities in the sector, such as management of expansion, admissions, graduation rates, autonomy, decentralization, and quality. A coherent policy, a detailed plan, and enhanced implementation capacities are needed to promote higher education, support the economic sectors, and satisfy

the emerging demand from different sectors. The state is also important to facilitate these actions and to improve the overall governance and effectiveness of the system. He further mentions that:

In all situations, the need for a carefully developed plan and close monitoring of its implementation is a necessary step to promote higher education, support the economic sectors, and satisfy the emerging demand from different sectors. A coherent policy, a detailed plan, and enhanced implementation capacities at all levels of the system help in expanding the system without compromising on the equity and quality of higher education. The role of the state becomes important to facilitate these actions and to improve the overall governance and effectiveness of the system (p. 12).

Conclusion

The traditional governance system has changed to a new shared governance system in Nepal characterized by a network of international donors, the private sector, the market, and the GON, with international donors having a greater stake in Nepal's educational policy decisions and educational strategies. Higher education in Nepal is not functioning properly as it is supposed to, due to numerous problems and poor governance in the first place. Institutions with strong internal governance demonstrate sound strategic management practices that guide them to their core business.

Governance actors must have outward looking instead of an inward one and the right to choose the strategic direction and management should be entrusted to the governance and management structures of autonomous universities and colleges on national policy framework by ensuring institutional accountability value for money and cost effectiveness should be obtained through resources.

The key functions of governance include forming the strategic direction, performing activities to achieve goals, and confirming its activities. The factors of governance include inspiring and persistent leaders, a strong strategic vision, a philosophy of success and excellence, and a culture of constant reflection, organizational learning, and change. Ostrom (2010) has highlighted the need for self-organizing institutions in Nepal to ensure efficient governance. Then it would be logical to conclude that HEIs with significant levels of autonomy and strong internal governance can transform themselves and serve as catalysts in society.

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