

Developing Good Governance, Management and Leadership in Universities and Degree Awarding Institutions (DAIs): A Case of Pakistan

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Abstract

Higher education is the most important component for the development of a nation. Unfortunately, in Pakistan this realization was not only late but the pace of development is very slow as well. Developing nations have been working to uplift their educational standard since last decade but there are many obstacles and hurdles that are emerging. This paper investigates the relationship between the good governance and management. For this time series data of period 1992 to 2010 is studied as a sample. Regression analysis and co integration are tested to explore the relationship among the variables. Literacy rate is used as the proxy of the good governance and enrolment in higher education, number of teachers in higher education and numbers of universities (public and private) are used as independent variables. The results of regression analysis showed significant positive relationship among all the variables, which confirms the hypothesis that good governance and management have positive relation. The government of Pakistan needs to increase the spending on the education sector (which is significantly low to 2.5%¹) for the development of the country, as educated labor force influences the growth².

Keywords: governance, management, higher education, regression analysis, co integration, higher education.

Introduction

The concept of good governance and management has been a topic of great interest for the scholars; where most of the studies in this respect were confined to corporate giants and businesses and the impact of these two on the profitability of them. However this trend started to take roots in higher education sector, with the growing need for an educated society and

¹ Economic survey of Pakistan

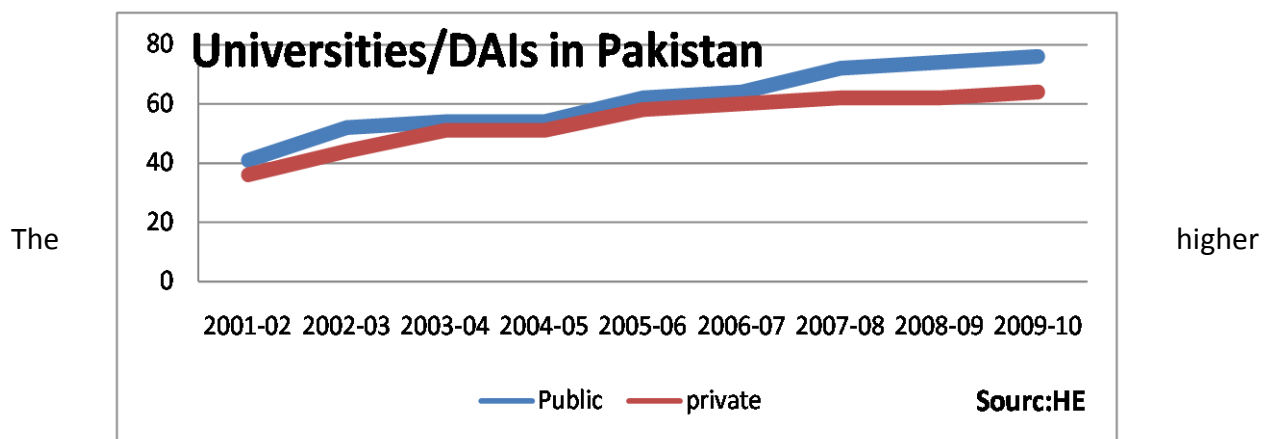
² Babatunde and Adefabi (2005)

great work in research and development; the traditional approach of running and managing the universities was not sufficient. Change was inevitable, and was needed not only to regain the fast losing purpose of higher education but the resultant declining enrollment. Thus scholars shifted their focus towards the weaknesses and the methods of handling the universities. According to Hassan (1990) “Luckily people are not inherently incompetent or morally incurable but unfortunately, as in certain other fields of intellectual activities, Pakistan is really backward in education too.”

Higher Education Background

At the time of independence in 1947, only two higher education institutions were inherited by the country. The higher education body established the interuniversity board in 1952 to develop the association among the universities. In 1959, the National education commission was established for the governance of schools and the collages. Due to this, the whole education system was under the direct control of the government. The private institutions were allowed to operate in mid 90’s when government realized that the public sector is not enough to serve the whole nation.

By an act of the parliament, the University Grant Commission (UGC) was established in 1974, which is the ancestor of Higher Education Commission. It was authorized to maintain the standards of the education system and to fulfill the financial needs of the universities but it did not have sufficient funds to promote the research. The UGC had lots of the issues and an in depth study was made to resolve these issues. Without providing funds and implementation, a lot of plans and education policies were made in 1970’s 1972’s, 1979’s, 1992, 1998 and the eighth five year plan. But the problems continued because of little importance of education and a very low ratio of education sector in budget. In 2001, the Task Force on the Higher education (TFHE) was established by the government and it gave the recommendations for the formation of the higher education commission³.



³ Higher Education Commission report 2002-08

education commission was established in September of 2002 followed by the recommendations of the Steering Committee on the Higher Education (SCHE). HEC is an independent self-governing body that is responsible to facilitate the quality assurance for the higher education to public and private sector, and to provide funding to the public sector from the federal government.

Higher Education System

Higher education in Pakistan includes the university education and the degree awarding institutions. After the completion of two years education of intermediate collage education, the university education consists of four year bachelors program and two years of the masters program. In Pakistan there are two types of educational institutes; public and private. The main source of the higher education in Pakistan was the public sector because the private sector did not exist till 1980's⁴. Public institutions are established by the government are funded for the infrastructure, facilities and operational expenditures. The Government supports public institutions to make sure that they are playing the key role in the national education system. Private institutions are funded by social, professional, economic organizations or individuals for their infrastructure, facilities and operational expenditures. The government provides funds to the private institutions too for the promotion of research and development⁵.

Higher Education Commission (HEC)

The government provided full support to the HEC both politically and financially. For strategic planning, a five year action plan namely Medium Term Development Framework (MTDF) 2011-15 is made to identify and resolve the major issues faced by the HEC. This strategic framework is built having three core aims and those core aims of the higher education commission are:

- Universities building Economies
- Universities building communities
- Universities building Leadership

To support these core aims, six supporting aims are also developed and those are:

- Faculty development
- Quality assurance
- Research and innovation and entrepreneurship
- Improving access
- Leadership and governance
- Financial management and stability⁶

⁴ HEC report 2002-2008

⁵ National report on the the Development of Education, (2008)

⁶ Medium Term Development Framework 2011-15

Strategic Focus

The strategic focus of higher education commission 2011-15 is the socio economic development of Pakistan, and according to them modern universities plays a crucial role in the development of a nation.



Source: Higher education MTFD 2011-15

Leadership role in society is played by the universities and the modern universities serve to promote local industry, protect local heritage, debate policies impacting their region and the country at large, provides education and training addressing local needs. Industrial sector development lies at the heart of the economic reinforcement of Pakistan. When universities are combined with the strength of entrepreneurship, they can change the economic destiny of entire regions, as well as the country.

To achieve the above stated aims, HEC has developed six pillars to build the economics, communication and leadership for the university development⁷.

⁷ The Higher Education MTFD 2011-15



Source: Higher education MTFD 2011-15

Faculty Development

The aim of the faculty development program is to improve the quality of teaching and research support. The key determinants of the quality of the higher education institutions are the faculty members. This program consists of the measure that is crucial to improve the higher education system of Pakistan. Training of new and existing faculty, recruitment from abroad, increasing PhD faculty, rehiring of retired faculty etc are some of the stated measures. According to the medium term development framework 2005-10, only 25% of the faculties of the higher education institutions are the PhDs which is a very low ratio.

According to the Task Force (2002) "Current emoluments are grossly inadequate to recruit and retain good quality faculty and staff. Emoluments should be de-linked from the Government's Basic Pay Scales, and should be appropriate for recruitment and retention of quality teachers and staff. Provision for in-service training is a critical requirement for improved performance"⁸.

Quality Assurance: There was no accreditation of quality control until 2003 in higher education system of Pakistan. In 2003 HEC developed "The National Quality Assurance Committee" whose tasks were:

- Defining goals and establishing processes for quality assurance of teaching and research
- Training of teachers and faculty
- Improvement of internal evaluation mechanisms
- Improvement of curriculum
- Development and elaboration of the accreditation process and establishment of standards for institutional accreditation.

⁸ Task Force on Improvement of Higher Education in Pakistan by The Task Force (2002)

Improving Access

A very crucial part of the higher education is the widening access and improving participation in the higher education. The aim behind this is to maximize the opportunities for the attainment of the higher education to the age group of 17-23. Overcoming social biases of classes and gender and the region to extend the equitable access to the higher education is the basic objective of the measure⁹. Pakistan was ranked as the worst in the world higher education enrolment ratios (2.6% in 2001) as compared to India (10%) and South Korea (68%). One of the major causes of the enrolment level was the crisis of coverage and the access¹⁰.

According to MTFD 2011-15, enrollments in public and private universities are growing at a constant rate and in future, they will grow at the same rate that is 1.1% and 1.12 respectively. The projected enrollments of universities and colleges are presented in the chart below:

SN	Description	FY11	FY12	FY13	FY14	FY15	FY16
1	Public University	385,000	423,500	465,850	512,435	563,679	620,046
	<i>Growth Rate</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>
2	Private University	144,719	162,085	181,535	203,320	227,718	255,044
	<i>Growth Rate</i>	<i>1.12</i>	<i>1.12</i>	<i>1.12</i>	<i>1.12</i>	<i>1.12</i>	<i>1.12</i>
3	Distance Education	418,549	464,590	515,695	572,421	635,387	705,280
	<i>Growth Rate</i>	<i>1.11</i>	<i>1.11</i>	<i>1.11</i>	<i>1.11</i>	<i>1.11</i>	<i>1.11</i>
4	Colleges	385,547	397,113	409,027	421,298	433,937	446,955
	<i>Growth Rate</i>	<i>1.03</i>	<i>1.03</i>	<i>1.03</i>	<i>1.03</i>	<i>1.03</i>	<i>1.03</i>
5	Privately Enrolled	481,587	520,114	561,723	606,661	655,193	707,609
	<i>Growth Rate</i>	<i>1.08</i>	<i>1.08</i>	<i>1.08</i>	<i>1.08</i>	<i>1.08</i>	<i>0.87</i>
6	Total Students	1,815,402	1,967,402	2,133,829	2,316,134	2,515,914	2,734,934
	<i>Population Aged 17-23 Years</i>	<i>23,183,510</i>	<i>23,677,319</i>	<i>24,181,646</i>	<i>24,696,715</i>	<i>25,222,755</i>	<i>25,759,999</i>
	Percentage Enrolled in HE	7.83%	8.31%	8.82%	9.38%	9.97%	10.62%

Promoting Excellence In Learning And Research

Learning, teaching and research are the core activates of the higher education. The aim of this measure is to ensure the quality of learning and teaching, and to promote and reward research and to inform student choice.

⁹ HEC report 2005-08

¹⁰ Higher Education MTFD 2005-10

Research is a critical activity and by making a major allocation of funds, creation of endowments and an enabling environment, must be assigned a high priority and the capacity research should be enhanced for the faculty and students¹¹.

Ensuring Relevance To The Economy: Industrial Linkage

This measure is to promote interaction among the higher education sector and the industry for the generation of human capital and national development.

Addressing all these issues in a single study is not possible. In this literature, we are going to address only one issue that is “Developing Leadership, Governance and Management” that is a supporting aim of the strategic aims. An improvement in the management and the operations are required to improve the education and research at the universities.

Literature Review

Shah et al (2012), argued that shared governance is more sustainable to the universities for the public sector of Pakistan. They argued that the universities governance and management structure are the foremost component of the governance. They stated that effective management, optimal use of resources, and satisfactory allocation is the major problems of the education system of Pakistan. Organizational protection and the senate are also not sufficient in the university act. Due to centralization, there is a gap in the university governance that needs to be prevented for the development of the education system. They suggested that shared governance can solve the issues of governance in the public institutions as it includes the participation of faculty, administration, and collective institutional decisions which is helpful in the development and the growth.

Monem & Baniamin (2010) investigated the issues, status, and prospects of the higher education of the Bangladesh. The base of the development of a society is Higher education but the universities of Bangladesh are very weak in terms of funding, quality of study, and research, etc. and are not changing with the passage of time. To improve the quality of the higher education in Bangladesh, modern teaching methods and dedication of teachers and students is considered necessary. In last few years, the demand of the territory education has boosted and the reason backing this is the involvement of the World Bank in the Bangladesh’s education sector. To bring discipline, a proper academic calendar can be effective. They concluded that the government should transfer its focus to the sciences and technology and ICT education instead of general education.

Rasian (2009) examined the challenges of the higher education of Iran in order to improve the higher education system there. There were three core groups in which the challenges of higher education were divided naming internal challenges, external challenges and, combination of internal and external. A very big issue which that needed to be resolved was that the

¹¹ The Task Force (2002)

apprehension towards the research was very low in Iran's higher education. For the betterment of the higher education system, the benchmarking and comparative analysis of neighbor countries which are having successful education system needed to be studied, and encouragement of cooperation among the universities both national and internationally were recommended by the researcher.

Chaudhry et al (2009) studied the factors affecting the good governance in the Pakistan. Augmented Dickey Fuller (ADF) test and regression analysis were tested on the time series data. In accordance with the description of the World Bank, the variables were selected. Good governance was used as dependent variable and Crimes reported in police stations and private investments were used as the proxy of the good governance. Independent variables included the openness in economy, democracy, literacy rates, peace years, life expectancy, population, unemployment, budget deficit and the exchange rate. The results showed that literacy, peace years, health and unemployment have negative relation with the crime and population showed significant positive relation with crimes. Type of Governance in the country will also reflect in universities and DAIs. It was suggested to the international donors and policy makers that democracy can be helpful in active communities.

Haider (2008) investigated the challenges faced by the higher education for Pakistan and the South Asian developing nations. According to him, major challenges faced are increasing number of institutions and students, idea of equity, improving quality of education, student unrest because of incompetent faculty, emotional integration to students, administrative reforms, small size of faculty, educational politics, academic freedom, low standards of courses and curricula, unemployment, budgeting and financing, and population explosion. He suggested that to overcome these challenges by improving quality of education, and education reforms from top levels to the bottom, new and flexible system of higher education and by providing employment opportunities.

Memon (2007) examined the key issues, problems and the challenges to the education system in Pakistan. The quality of staff, students, libraries and laboratory were the major problems identified by the researcher. According to the researcher, the research facilities, financial crisis, low number of Science students as compared to Arts, ineffective governance, weakness of examination, and academic results are not according to the needs of the society and the international standards. He concluded that in order to improve the quality of teachers and the education processes in Pakistan, the education restructuring are needed for the teachers. Further it was stated that we need to reach at par to compete with the other developing countries and the rest of the world.

Swansson et al (2005) studied the good university governance for Australia. "What market currently has and what it requires?" was the focus of the research. The respected state or territory's legislation controls the universities of their territory Australia. A survey was conducted in 2004-05 to amend the program of courses according to the need of university governing bodies. Research was conducted on the university chancellors and council

secretaries. The results showed that courses offered by the universities are in accordance with the requirements of the NGP (National Governance Protocols).

Martin-Shields investigated that whether the literacy rates help in forecasting cooperation or conflicts. Three major drivers of the conflict discussed were the governance, human needs, and economics. The Robert Axelrod's concept of 'shadow of future' was used for the analysis. It was studied that how the literacy rates describe the shadow of the future. Maslow's hierarchy of need was used to describe the human needs. To find out the relationship among the human development and the literacy, PTC model was tested. GDP and literacy rates were used as variables, where literacy rates were used as the proxy of the education. The result proved the existence of the relation among the variables.

Modeling Framework

On the basis of theoretical work and empirical literature, we have developed a model to investigate the relationship of some governance related variables with the literacy rates. The impact of three variables is studied on the dependent variable.

$$Lit = f(UNI, TEAC, ENRO)$$

Whereas; *Lit* is the literacy rate in percentage, UNI is the total number of universities both private and public, Teac are the number of faculty members, Enro is the total number of students enrolled in universities. The final equation for testing is,

$$Lit = \alpha_0 + \alpha_1 uni + \alpha_2 teac + \alpha_3 enro + \varepsilon \dots \dots eq (1)$$

Unit root testing, regression analysis, and co integration are used in this research. Data from 1992 to 2010 was collected from the World Banks web site, Economic survey of Pakistan and Ministry of Finance. The variables selected are literacy rate being used as a proxy for good governance, rationale behind using literacy rate as the proxy for good governance is that with proper management and good governance the overall impact on the society will be positive; this means equal opportunities and more prospects of inducing young minds towards acquiring higher education as a result the overall literacy rate will increase; numbers of universities is the second variable- theoretically it should have a positive relationship with the literacy rate which means as the literacy rate goes up so should the number of universities and vice versa, number of trained and qualified faculty staff also have a very significant role in education; with the more qualified teachers being inducted in the universities the quality of education and research should increase also. This should also have a positive relationship with literacy rate. The final variable is the number of enrollments in universities which should also have a positive relationship with literacy rate.

Estimation and Results

Certain econometric issues can influence the estimation of parameters using OLS while using time series data. To avoid this problem, stationary tests are needed for every time series variable before any other test. According to Ray (2012) “a series is said to be stationary if the mean and variance are time-invariant”. Test of stationary is performed using Dickey and Fuller (1979) statistics as well as Philips and Perron(1988) methodology. Results of the tests is given in table 4.1.

Variables	ADF test				PP test			
	I (0)		I (1)		I (0)		I (1)	
	C	C& I	C	C& I	C	C& I	C	C& I
Lit	-2.827*	-1.011	-3.573*	-6.488*	-5.953*	-0.653	-3.597*	-6.214*
Uni	-0.759	-2.196	-2.501	-2.356	-0.150	-1.852	-2.522	-2.367
Teac	0.366	-1.849	-4.139*	-4.466*	0.704	-1.691	-4.149*	-5.170*
Enro	4.460	0.101	-1.686	-4.323*	4.660	0.249	-1.371	-4.325*

Note: The critical values for ADF and PP tests with constant (C) and with constant & trend (C&T) 1%, 5% and 10% level of significance are -3.711,-2.981,-2.629 and -4.394,-3.612,-3.243 respectively.

Source: Authors estimation

Table 4.1 represents the results of unit root tests for the models. Stationary is checked first with intercept and then with trend and intercept. Results show that all the variables are stationary at first difference, since data is stationary it means that it can be used in establishing a long run relationship among the variables, and the regression estimates from this are not spurious. (Gujrati, 2004, p.806).

Table 4.2: long run determinants of Good governance

Variables	Model of Good Governance		
	Coefficient	t-stats	Prob.
Constant	0.118	6.054	0.000
Enro	0.048	6.113	0.000
Uni	0.002	19.194	0.000
Teac	0.010	2.920	0.010
Adj. R²	0.801		
D-W stats	2.105		
F-stats (prob)	30.219 (0.000)		

Source: Authors' Estimations.

Table 4.2 represents the results of regression analysis. The results show that all the variables are significant and have a positive relationship with the dependent variable. Enrolment has a positive relationship with a probability level of 0.000. This means that with the increase in literacy level the number of enrolment will also increase and vice versa. The same is true for both number of universities and faculty members, which have a probability of 0.000 and a positive significant relationship. The results of regression analysis are in conformity with the theory presented above.

$$Lit = \alpha_0 + \alpha_1 uni + \alpha_2 teac + \alpha_3 enro + \varepsilon$$

$$Lit = 0.118 + 0.002 uni + 0.010 teac + 0.048 enro + \varepsilon$$

Co integration Analysis

To evaluate the long term relationship among the variables, Johanson and Juselius (1990) co-integration procedure is used. Two tests statistics used for co integration are the Trace statistics and Maximum Eigen value statistics. Co integration is said to exist if the values of computed statistics are significantly different from zero. The results of the co integration analysis include the Trace statistics and Eigen values along with their probabilities are reported in table 4.3.

Hypothesis No. of CE(s)	Trace statistics	5% critical values	Max. Eigen value statistics	5% critical values
None *	94.225	47.856	0.931	27.584
At most 1 *	48.750	29.797	0.878	21.132
At most 2	13.028	15.495	0.512	14.265
At most 3	0.834	3.841	0.048	3.841

Source: Authors' Estimations.

The results of cointegration analysis shows the rejection of null hypothesis for both the Trace statistics and the maximum eigen value statistics, in favour of alternative at five percent level of significance.

Conclusion

The aim of this paper is to establish a relationship between good governance and management in Higher education sector of Pakistan. For this purpose literacy rate is considered as the proxy of good governance and the rationale is that with good governance and proper management the over all literacy rate increases. To check this relationship the other two variables considered are number of faculty members and number of enrolment. Since proper management and better governance will directly result in the improvement of enrolment rate in the higher education sector.

The results of regression analysis showed significant positive relation among all the variables, which confirms the hypothesis that good governance and management have positive relation. And also the fact that, both are interrelated and are dependent for the overall improvement of quality education and the literacy rate in higher education sector. On policy matter government of Pakistan needs to increase the spending on the education sector (which is significantly low to 2.5%¹²) for the development of the country, as educated labor force influences the growth. The recent focus on the research and development is a great step towards overall improvement. This needs to be strengthened further. Professionalism and proper management are the two core grounds on which a strong foundation can be built.

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