

# **Japan-UK HE Collaboration Programme Policy Forum**

## **Leadership and Governance in Higher Education Executive Summary, London, 1 February 2005**

### **Background to the Programme**

1. The Japan-UK HE Collaboration Programme was set up in 2001 following a proposal by the then HE Minister and her Japanese counterpart at the G8 Ministry of Education meeting held in Japan in 2000.
2. The principal partners of the programme are:

#### **UK:**

- British Council
- Higher Education Funding Council of England (HEFCE)
- Department for Education and Skills (DfES)
- Universities UK (UUK)
- Leadership Foundation

#### **Japanese:**

- National Institute of Academic Degrees and University Evaluation (NIAD-UE),
- Ministry of Education, Culture, Sports, Science and Technology (MEXT),
- Japan Society for the Promotion of Science (JSPS)
- Centre for National University Finance and Management (CNUF)
- Japanese Association of National Universities (JANU).

3. The programme assisted the Japanese in the run-up to the incorporation (a legal process making the national universities 'semi-independent management agencies') of their 89 national universities in April 2004 and beyond through a series of high level policy forum and workshops held both in the UK and Japan. 13 UK and 12 Japanese universities have been involved in a programme of "twinning". These have resulted in a series of publications about lessons learned at levels ranging from national policy to institutional and thematic case studies. The programme to date has covered HE governance and management, financial and HR management, quality assessment, university-industry links and university leadership.
4. The Policy Forum hosted by the British Council London in February 2005 was the sixth event in the HE collaboration programme on the theme of the long-term sustainability of universities comprising key note speeches, prepared responses from the six Japanese and six out of 7 UK university representatives, and discussion. 35 representatives from the Japan-UK HE Collaboration Programme Steering Committee and the six UK and Japan twinned universities attended.

5. Following the Policy Forum a further Memorandum of Understanding was signed for 2005 -2007 continuing the collaboration between the existing partners. All sides reconfirmed that the aims of this programme of collaboration are:-

- to contribute to the development of HE in the UK, Japan and internationally by learning from each other's experience, especially in relation to HE reform
- collaborating in areas of strategic interest
- strengthening existing links

**Keynote address 1: “Main issues of Leadership and Governance in National University Corporation”** Dr. Hitoshi Osaki, Director, National Institutes for the Humanities

**Current Reform Policy for Japanese National Universities:-**

**Aims:**

- to upgrade the quality of teaching and research to international standards
- to improve responsiveness to social needs
- to promote diversification of universities

**Methods:**

- revitalisation of institutional management through incorporation of national universities in April 2004
  - greater university autonomy including:-
  - final decisions on institutional management
  - appointment of all staff and board members.
- 6-year plans with target-based evaluation of achievement by government and NIAD-UE
- shift in funding allocation from general grants to competitively earmarked grants

Presidents face a number of leadership challenges including:-

- delivering mid-term plans
- unstable levels of funding due to partial reliance on winning block grants
- balancing corporate and collegiate decision-making in a traditional culture of bottom up decision-making

The initial impact of incorporation has been to:-

- weaken direct government control
- strengthen distributive management structures
- increase awareness of university management processes and systems
- increase university/industry collaboration

Dr. Osaki sees the following steps necessary for good leadership and governance of Japanese universities:-

- establishing attainable and specific mid-term goals and communicating them to staff
- clarifying the aims and purpose of university leadership
- balancing corporate and collegiate decision-making
- establishing new models of university management and providing the requisite training for staff.

## **Prepared Responses from UK University representatives:**

### **1. Sir David Watson, former Vice-Chancellor, Brighton University**

The process of incorporation of the Japanese national universities has now moved from constitutional to operational matters. Implications for the higher education system are:-

- fit between missions of different institutions including their relationship to plans for research and collaboration with industry
- relationship between national and private institutions
- response to the market, demographic and other social changes
- development of international university education
- development, agreement and validation of strategic plans
- development of new roles of governance, leadership and management
- new contractual arrangements as staff shift from ministry to university employees.

Although the UK has been through some of the same processes there are fundamental differences:-

- following devolution different education policy choices in England, Scotland, Wales & Northern Ireland were implemented
- variable student fees from 2006
- emphasis on widening student participation
- requirement for universities to fit with UK government's longer-term strategy for science and innovation

In order for universities to make appropriate strategic choices it will be necessary to have more sophisticated knowledge of university performance

### **2. Toni Griffiths, Pro-Director International, University of Manchester**

- the role and purpose of the university should be defined before introducing change to avoid adopting processes, procedures, management theories and solutions which do not apply or transplant easily.
- quality audits have value but risk becoming overly bureaucratic and generating unintended consequences for academic pursuit
- short-term competitive or special funding streams risk compromising the open pursuit of knowledge
- greater autonomy can invigorate universities but can also destabilise
- universities should consider how the university experiences meets the needs of students from other countries
- Good institutional management, leadership and governance are not ends in themselves but provide the conditions for good research and teaching.

### **3. Professor Douglas Tallack, Pro-Vice Chancellor for Innovation, University of Nottingham University**

- in the UK the appointment of academics as pro-vice chancellors for limited periods of four to five years helps relationship between management and grass roots university culture as managers retain strong links with academia
- in Nottingham University the Vice-Chancellor chairs Senate and the university management board but a lay person chairs the governing council. The committees with responsibilities delegated by the Senate and Council allow wide representation from university staff but make management difficult. This has been addressed through an extensive consultation process leading to an annual strategic plan and budget. Pro-vice chancellors have key role in negotiating between the centre and academic schools.
- Nottingham has branch campuses in Malaysia and China with full administrative structures. For sustainable management in Nottingham, therefore, it is important to factor in the international dimension to leadership training.

### **4. Professor Rod Coombs, Pro-Vice Chancellor Manchester University**

- global collaboration in HE is increasing as well as global competition. Collaboration is necessary to solve complex problems such as in biological and physical sciences. Professor Coombs welcomed increased opportunities for partner institutions of Japan's calibre to collaborate internationally.
- for a target-based approach to university management it is important to focus not on intermediate outcomes but on real outcomes such as business improvement as a result of university influence.
- There is a need to avoid over-rigorous application of outcomes to budget allocation as it limits flexibility.
- Powerful university leaders can best exercise their leadership by empowering their deans and heads of schools

### **5. Professor Richard Cogdell, Hooker Chair of Botany, Glasgow University**

- In Scotland there is greater diversity in provision as compared to England as the Scottish HE Funding Council, unlike HEFCE, covers both universities and colleges. However, this creates funding challenges as both sectors compete for the same funding pot
- The Scottish practice of students electing rectors has resulted in the appointment of celebrities. This is a successful model as operational responsibilities are delegated to vice-chancellors who are controlled by the university courts.
- To overcome problems arising from competitive funding amongst universities Scotland has created collaborative model of research pooling, starting with physics and chemistry.
- From the researchers point of view, effective management is invisible management

## **6. Professor Bob Boucher, Vice-Chancellor Sheffield University**

- successful leadership requires a range of decision-making shared with colleagues rather than the exercise of direct authority
- it is important to focus on actual performance not the pursuit of abstract performance indicators. There is need to include soft indicators such as student and business satisfaction. Important also is that comparisons of progress between universities are made public.
- A culture of management and leadership needs to pervade universities. Academic staff need training to assemble and deliver strategic plans. They need tools to audit and assess their own culture in order to understand, maintain and grow an appropriate one

### **Question and Answer Session**

**Q: Peter Winter University of Manchester: How long are Japanese university presidents appointed for?**

A: Osaki: 4 years plus two years renewal usually

**Q: Professor Louise Morley, Institute of Education, University of London: What initiatives are there around diversity and equity in higher education in Japan?**

A: Osaki: Difficult to differentiate universities as Japan is a very egalitarian society. However two measures have been introduced: first, increased freedom for universities to choose their own strategy; and second, more weight on target-based funding.

**Q: Colin Monk, University of Brighton: Is Japanese industry now interested in the university curriculum and how students are taught as well as in the research agenda and capability of universities?**

A: Osaki: Difficult to say at the moment – industry's dissatisfaction arose from the unresponsiveness of universities and university system to their research needs. Incorporation has removed barriers. Industry influences universities through funding chairs in specific fields.

A Kimura: There is a general belief that Japanese universities do not respond to social needs. Nonetheless, Japanese industry provides substantial funds for university research. Tokyo Institute of Technology (of which Mr Kimura was president) receives 10% of funding from industry. But at present industry doesn't appreciate importance of teaching.

**Q: (?) Is there an increase in the university's role in providing training previously provided by industry?**

A: Respondent from Tsukuba University: Recently communication with industry on education has increased. Business people give special classes on university courses.

Tsukuba is increasing their internship programme. More and more industry wants students ready for the workplace.

A: (?): Japanese postgraduate education is increasingly responsive to social needs but undergraduate education still seeks primarily to create the well-cultured generalist.

A: (?): Requirements of UK industries vary – some want graduates trained in generalist skills and others, mainly smaller companies with few training resources want graduates already trained in job-specific skills.

**Q: Janette Cheong, Head of International Development and Collaboration, HEFCE: Has the private sector influenced policy changes in Japan? Also, can you envisage a convergence of these two sectors?**

A: Osaki: Total convergence would damage Japanese HE education, research and limit wide HE access. As a result I think we need to retain the core of universities.

**Q: Prof Boucher: How are demographic trends in Japan affecting the university system and how are university presidents responding?**

A: Osaki: The end of university expansion creates opportunities to improve quality but this is limited by government funding stringencies.

A: Kimura: Demographic downturn is unlikely to affect public or municipal universities, but approximately 5% of private universities may close in the future.

A: Prof Sakamoto, President Kumamoto University: On the negative side, incorporation of universities can be seen as an extension of fiscal reform through funding cuts. There is concern that increased funding from industry would invite further funding cuts

**Q: Christine Humphrey, University of Nottingham. How does internationalisation strategy fit with overall university strategy? Has it changed following incorporation?**

A: Osaki: Japanese universities are not highly internationalised yet and there is no direct change related to incorporation. I expect larger numbers of international faculty.

A: Omori, Kumamoto University: A new regulatory framework to facilitate internationalisation have been introduced; firstly, recognition of foreign campuses in Japan and recognition of Japanese universities providing their courses in overseas campuses.

A: Yanigahara, Vice-President, Kyushu University; There are 4 types of international exchange:-

- international collaborative research
- student exchange
- international elements of links between universities and industry
- contribution of universities to education in developing countries

Japanese universities have been active in all these areas but do not yet have an overall strategy that combines them all. I expect to see greater differentiation between universities in this area by the end of the mid-term plan. Whether we teach in English or Japanese is a critical problem.

## **Keynote Address 2: Leadership, Governance and Management in Higher Education – Turning Opportunities into Success: Sir Howard Newby, CEO HEFCE**

- Japan and UK Higher Education face many of the same challenges and prospects.
- HE in the 21<sup>st</sup> century needs to face the challenges of globalisation.
- HE is at the heart of a competitive knowledge-based economy and an open and inclusive society. It aims for world-class excellence in teaching, research and knowledge transfer

### **Five Challenges facing Higher Education:-**

#### **1. The Human Challenge**

- sustaining high quality in a mass system of higher education
  - participation rate in UK of 18 – 30 year olds is now 43%
  - impact of expansion – pressure on university resources
- 'new policy environment' challenge to university teachers, researchers and managers
- building and sustaining a world-class system of leadership, governance and management in HE

#### **2. The Leadership Challenge**

- leadership is defined as agreeing a strategic direction in discussion with others and communicating this within the organisation
- it is necessary to ensure that there is the capability, capacity and resources to deliver planned strategic outcomes
- support and monitoring of delivery is important. This embraces elements of governance and management

#### **3. The Market Challenge**

- growing influence of the market – introduction of variable university fees in England from 2006 is a major change. Most universities will charge full fees.
- changing balance in the funding from the state to student
- managing in an increasingly unpredictable environment
- managing for success and failure in a market environment
- growing demands from a range of stakeholders in higher education – students, employers, government

#### **4. The Sustainability Challenge**

(Sustainability defined here as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs”)



- within 10 years vision for universities to move from narrow focus of waste reduction to major contributor to our society's efforts to achieve sustainability
- central role of HE in promoting sustainability awareness throughout the university and engaging all staff and students with that philosophy
- the 'do nothing' approach to sustainability is not an option

## **5. The Governance Challenge**

Effective governance will ensure that:-

- a vision and strategy are always in place
- that the institutional framework and culture are there to deliver the institution's mission and aims whilst meeting all legal requirements and remaining financially healthy
- this requires effective leadership

## **HEFCE Strategy Plan 2003-08**

- key objective of supporting leadership, management and governance (LGM)
- to enhance capacity in these areas to respond to challenges facing HE
- to research, develop and encourage good practice in LGM

## **Initiatives to support higher quality Leadership, Management and Governance**

- The Leadership Foundation for Higher Education (all Japanese representatives at the Policy Forum attended on the previous day a workshop run by Ewart Wooldridge and Mark Jenner sic)
- HEFCE Leadership, Governance and Management Fund
- HEFCE support for the Committee of University Chairmen
- promoting and disseminating good practice

## **Prepared Responses from Japanese University Representatives**

### **1. Professor Ohnishi, Vice-President, Tohoku University**

Four questions:-

1. Who have become and who will become new university stakeholders?
2. When variable fees are introduced why will most universities charge the maximum? Recently the Ministry of Education in Japan has raised standard tuition fees. Japanese universities are now wondering whether to increase fees and what criteria to use
3. Has the expansion of HE in the UK brought about a significant change in British society?
4. What will be the biggest joy for the academic of the future?

## **2. Professor Yuta, Vice-President of Tsukuba University**

Changes following incorporation have sought to forge stronger relations between universities and society, and how to meet the expectations of society.

Challenges for universities:-

1. creating a system of education which is easily understood and motivating both for students and the society and industries into which they will advance post graduation
2. balancing fundamental and applied research which is of direct use to industry and society
3. strengthening links with the local regions, the rest of Japan and international universities.
4. Need to consider how information from society comes into the university in addition to how information goes out. Need for university leaders to raise awareness of staff throughout the university in this area
5. balancing autonomy of sectors and faculties with overall policy leadership of university

## **3. Professor Matsunaga, Dean, Tokyo University of Agriculture and Technology (TUAT)**

- TUAT has only two faculties, agriculture and engineering
- TUAT's research and education mission statement states commitment to creating a sustainable earth and beautiful environment for future generations
- TUAT has systematised the curriculum and improved the environment for study and research. For example, since establishing the Centre for Innovation and Intellectual Property there are 81 patents pending and increased income from patents
- £15 million of our £70 million budget is from outside grants and this is increasing
- Liaison with industry is widespread and is yielding very positive results when compared with other universities.

## **4. Dr. Inagaki, President Osaka Kyoiku (Education) University**

- Japanese universities have 100 years of history. 50 years ago Japanese universities entered a second phase at the same time as UK established red-brick universities. Now Japanese universities have reached a new point of departure
- Unsure whether a global standard for higher education exists. Japanese university education has different systems, content and methods currently but it is moving towards adopting common international standards

## **5. Prof. Yanigahara, Vice-President Kyushu University**

Like UK universities Japanese universities are changing fast so how we respond is very critical. Main problems:-

- huge gap in awareness of change between president and governing body, and individual teaching staff. To address this, Kyushu has divided president and governors into 22 groups who are currently holding discussions with individual teaching staff. More measures are needed
- the framework for incorporation is set but detail is vague. There is a danger of universities pursuing inadmissible practices e.g. borrowing from private banks
- creating a specialist cadre from general administrative staff who traditionally move around between departments during the course of their career.

## **6. Dr. Sakamoto, President of Kumamoto University**

- should not forget that in addition to supporting growth of a nation HE also has spiritual and cultural benefits in addition to economic ones.
- Need to enrich human culture and spirituality through arts, humanities, social sciences etc. and to protect fields of study such as these that provide direction for how we lead our lives
- In these fields we should consider longer cycles than mere economic ones

## **Question and Answer session chaired by Dr. Kimura**

A: Sir Howard Newby responding to the four questions put forward by Prof. Ohnishi:

1. range of stakeholder for universities include:-
  - business community;
  - public services;
  - students and now, with top-up fees, their parents;
  - and university staff themselves who have a right to contest the changes their leaders propose.HE is seen by many stakeholders as means to an end and utilitarian. Need to reinvent idea of university in 21<sup>st</sup> century to reassert its important civilising impact: We need to analyse carefully who our real stakeholders are. Do they share some risk with the enterprise? Our main stakeholders are our students. Many groups claim to have an authoritative opinion about the direction of the institution but are not legitimate stakeholders and have little evidence to support their claims.
2. universities are mostly charging the maximum variable fee out of fear that lower fees will be equated with lower quality. Even the maximum fee is well below actual costs. Another reason is that student loans are higher for universities with higher top up fees

3. to date observable changes in society at large as a result of mass higher education in the UK are limited as the massive expansion started only in late 1980s. However, increasingly students, particularly in London, see a degree as a prerequisite for participating in society and being able to find work that can support their desired lifestyle
4. the joys of working in academia include:- greater autonomy, space for creativity and weak line management. Despite low salaries the pool of academics in most subjects is still quite high

A. Prof. Cogdell: one change is that more students have to work their way through university and are no longer available to attend classes full-time – universities need to change their course programming in response to this. The joy of university lecturing includes stimulating dialogue with bright people and the emotional feeling when you make amazing discoveries

A: Prof Bob Boucher:

- poor management of universities is like being at the wheel of a great ship only to realise that it isn't connected to a rudder.
- in Sheffield the City Council is an important stakeholder as the university with its spin-out companies is an important employer in the region. The Regional Development Agency, Foreign and Commonwealth Office (FCO), and the Department for Education and Skills (DfES) have recently become interested stakeholders.
- As a result of social change, individuals now challenge professionals much more openly than 20 years ago, e.g. patients challenge doctors' diagnoses and individuals challenge the role of academics

**Q: Louise Morley, Institution of Education: There has been much debate on whether higher education is a public good or a private good. However, there has been little debate as to how HE changes civic society. Does widening participation change attitudes and skills? Does it redistribute wealth? Does it broaden elites rather than transform society**

A: (?): Historically universities have played an important role in the vanguard of major institutional change between different types of society – in the 17<sup>th</sup> & 18<sup>th</sup> centuries in moving from theocratic to enlightened world views, and from enlightenment to explicitly modernist views in which knowledge was seen as objective and universal. Now we are at a turning point between national and transnational regulatory structures. The biggest challenge for universities is navigating between having unrealistic and overambitious aims for transnational regulatory structures and simply subsiding back into nationalism. Academics have an opportunity to contribute to the intellectual and practical demands to develop the former.

**Q: Janette Cheong: Is HE doing enough to communicate their very significant achievements to the wider world? University communities of practice are very international.**

A: (? – UK side) Challenge in recent years has been what universities should engage in beyond teaching and research. This has led to much third-stream activity (of which knowledge transfer is a part), and to ensuring communities see the benefits of university activity. This is reflected in the Research Assessment Exercise which looks increasingly at use and impact of research rather than intrinsic quality.

A: (? – Japanese side) The market challenge is the most significant for universities. Japanese universities must determine how to respond appropriately to major changes in the external context:-

- the growth in the surrounding Asian countries
- the role of Japanese industry
- the rise of young Japanese entrepreneurs without university degrees

**Q: (?) How do you protect unpopular fields of studies?**

A: Dr. Kimura: This is a major, unresolved problem in Japan as the Ministry of Education continues to exact a 1% cut on an annual basis which may result in subjects such as Sanskrit or Indian Philosophy disappearing.

A: Sir Howard Newby: HEFCE has identified minority subjects defined as those with 100 students or less and supports them. We do not know what may become important in the future. The government also wants to maintain and develop strategically important subjects in a market-driven economy – there is a fear that fee-paying students will increasingly choose the ‘wrong’ subjects e.g. media, sports science etc. rather than strategically important subjects e.g. the physical sciences and engineering. Careful consideration needs to be given to decide where we need to stimulate demand. On the other hand we must allow some subjects to decline, others to grow and to increase interdisciplinary activity thus reflecting the natural dynamism of HE. These are highly political issues in the UK

**Q: Dr. Osaki: Three questions:-**

- 1. Will the top-up fees be used to enhance the quality of education?**
- 2. Will top-up fees affect HEFCE’s grant?**
- 3. Will poorer families be exempt from the top-up fee?**

A: Sir Howard Newby: A more general rather than technical reply to the question:-

- Need to reassess HEFCE’s changing role as we move towards a mixed public/private funded HE economy is an important issue. HEFCE can protect good university governance, minimum teaching standards, accurate advertising.
- Funding model from 2006 is a result of a political compromise and hence not ideal. Its basis is likely to be revisited in 2009. It is problematic that currently the 3 main funding streams for universities are not aligned in the same direction.

## **The Next Steps in the Japan/UK HE Collaboration Programme**

Sir David Watson: The programme has formally been extraordinarily successful and has additionally generated a series of networks and relationships not in the original design. Main participants have therefore decided to continue. What should be the centre of gravity for the next stage? Need to balance between learning and experience on the UK and Japanese sides. Ideas:-

1. further leadership masterclasses with the Leadership Foundation both in the UK and Japan
2. further HE policy fora similar to today's
3. further study visits to UK & Japanese universities to explore operational matters
4. setting up website and related portal.

Dr. Kimura: Satisfied with overall direction proposed. However funding issues need clarification in Japan

Professor Inaba (as representative of the Japanese Association of National Universities (JANU): Would like to involve university presidents and vice-presidents in continued activity with Leadership Foundation. Would also like to develop bilateral research

Dr. Sakamoto: (as representative of JANU): No specific comment but supports overall development of programme

Ewart Wooldridge, CEO The Leadership Foundation: The Leadership Foundation has recently commissioned a programme of research into leadership, governance and management.

Janette Cheong: We are committed at least to organising a return visit and Policy Forum in Japan. There is a lot of opportunity to think creatively about how to take this programme forwards – we want participants to feel free to move it on in ways relevant to themselves and to make it their own. We will prepare and sign a new Memorandum of Understanding for two years until 2007 with all main partners. We hope to use the Information sharing projects such as the Global Gateway Project led by the DfES [and managed by the British Council], and the UK HE International Website project [supported by the DFES, the British Council, HEFCE, UUK, SCCOP] to identify existing links and the extent of collaboration between the UK and Japan. The current international research management benchmarking project managed by the Association of Commonwealth Universities already includes Tokyo Institute of Technology. We hope the outcomes will be published.

Dr. Kimura: In order to foster sustainability in links between UK and Japanese universities we need to identify reciprocal benefits.

## **Closing Remarks**

### **Sir Howard Newby**

- Japan and the UK face very similar challenges
- there are opportunities for very close collaboration in specific areas such as masterclasses run by The Leadership Foundation
- exchanging experience of internationalisation of universities such as in today's forum is valuable in own right as we go through a period of turbulent change
- benchmarking performance against comparators is always useful
- HEFCE remains committed to this collaboration programme - Japan remains a priority country.

### **Dr. Tsutomu Kimura**

- positive results to date from programme merit a further phase
- a final word on the joy of working in universities – Japanese media are very critical of HE institutions but on retirement many become university professors – a sign that universities are a good place to work.

Dr. Tom Kimura, Sir Howard Newby and Janette Cheong proposed thanks to all those involved in organising and funding the events in the UK.