EMPOWERED GOVERNANCE:
TOWARDS GREATER AUTONOMY
in MALAYSIAN HIGHER EDUCATION
“The topics of governance & institutional autonomy were frequently raised throughout the MEB(HE) stakeholder consultation process”
.... a Blueprint

3 Phases
2,300+ Survey Responses
2,300+ Focus Groups
16 International Advisors & Experts
14 Malaysian Expert Advisors
250+ Students & Alumni Organisations

4,500+ HLI Staff
40 Industry Skills Councils & Professional Bodies
140 Parent-Teacher Associations
20+ Unions & Associations
10 SHIFTS

Empowered Governance
.... and a Playbook

Enhance Capability of Board
- Nominating, Overseeing & Supporting VC
- Finances & Fundraising
- Safeguard University Mission

Board Effectiveness Assessment (BEA)
- Greater accountability

Structuring of a high performing Board
- Greater diversity / Term limits / Size
Let’s Be Clear…

“Greater university autonomy is required for future success”
Where are we?
Over the last 3 decades

1996 / 2009 / 2012: Three Amendments to University and University Colleges Act (UUCA)

✓ Public Unis allowed to engage in commercial activities
✓ Transfer of administrative power by replacing University Councils with Board of Directors
✓ Added Consultation Process to Minister’s appointment powers.
✓ More Responsibility to Board with regard to student discipline
✓ Increase in senate authority without needing for Board sign-off
✓ Student political participation outside of campuses.
Where are we?
Over the last 3 decades

Mid-1990s:
- Gov. allowed establishment of private universities.
- Able to confer own degrees.
- Increase competition.

(Latest) 2017:
- Private HE (Act 555) amended to empower Private HEIs.
Where are we?
Over the last 3 decades

2008: Established AKEPT (Higher Education Leadership Academi)

- Short-listing future leaders
- Profiling (by independent professional body)
- Capability building – to prepare for greater autonomy
Where are we?
Greater Check & Balance in Appointment of VC & Top Leadership

1) Nomination by the Board & Academic Associations

2) AKEPT Profiling

3) Interviews with Select Committee

4) Minister

Tan Sri Prof. Emeritus Dr. Lin See Yan

Tan Sri Dr. Ahmad Zaidee Laidin

And more....

Tan Sri Prof. Dr. Mohamed Salleh bin Mohamed Yasin

Tan Sri Prof. Dr. Rafiah Salim
Where are we?
Over the last 3 decades

2012:

- **Introduced** Code of University Good Governance (CUGG) & University Good Governance Index (UGGI)
- To evaluate Public Uni **readiness** for **increased autonomy**.
Where are we?

Granting of Autonomy Since 2012

2012

Universiti of Malaya

Universiti Kebangsaan Malaysia

Universiti Teknologi Malaysia

Universiti Sains Malaysia

Universiti Putra Malaysia

2013

International Islamic University Malaysia

Universiti Malaysia Sarawak

Universiti Utara Malaysia

2014

Unimas

Universiti Teknologi Mara

Universiti Teknikal Malaysia Melaka

Universiti Sains Islam Malaysia

2015

Universiti Malaysia Pahang

2016

Universiti Pendidikan Sultan Idris

Sultan Idris Education University

UMMAP
AUTONOMY IMPLEMENTATION IN PUBLIC UNIVERSITIES

BASIC PRINCIPLES

SUMMARY DETAILS OF AUTONOMY

i. Institutional Governance
ii. Financial & Income Generation
iii. Human resources
iv. Academic & Student Admission Management
Wave 2 (2016-2020): Enhancing empowered governance for public HLIs focusing on board composition, academic autonomy, governance effectiveness, HR, funding & procurement autonomy.

- Intensifying industry and community engagement, and implementing 3+1 or 4+1 undergraduate programmes with off-campus or industry-based learning.
- Enhancing the MPU framework and entrepreneurship programmes, including more practical components and incentives for excellence in entrepreneurial learning.
- Defining criteria and incentives to recognise different forms of institutional excellence, such as excellence in research, in niche areas, and in teaching.
- Facilitating implementation of talent mobility programmes and multi-track career pathways by HLIs.
- Developing a new Higher Education Talent Roadmap, including facilitating recruitment of international academic leaders and the launch of leadership programmes for HLIs.
- Establishing a framework for recognizing prior learning, with clear pathways and a national credit system.
- Harmonising the national TVET qualifications framework with other agencies and facilitating international accreditation.
- Introducing new funding formulae and performance contracts for public universities with clear TEFs.
- Transforming PTPTN into the Malaysia Education Fund, with enhanced savings schemes, incentives, and the new TadikSUKU (funding) Fund.
- Implementing income-contingent loans for students, and linking access to loans to HLI quality standards and performance.
- Introducing incentives for establishment of endowment funds or stock by both private and public HLIs, including matching grants and tax exemptions.

Wave 3 (2021-2025): Completing the transition of all public universities towards earned autonomy, and full implementation of enhanced self-regulation and co-regulation for private HLIs.

- Reviewing policies and guidelines to facilitate incorporation of new interventions where required.
- Completing the transition to multi-year performance contracts for all public universities.
- Completing the transition of all public universities towards earned autonomy, and full implementation of enhanced self-regulation and co-regulation for private HLIs.
- Achieving financial sustainability of the Malaysia Education Fund (formerly PTPTN), as well as a sustainable diversified funding model for public universities with high productivity levels.
- Assessing implementation of greater autonomy for polytechnics after the completion of the conversion of Polytechnik Malaysia into a statutory body.
- Ongoing enhancements to the quality assurance and institutional ratings system, benchmarking against international standards.
- Completing the rebasing of TVET to achieve a dual-pathway higher education system where academic and TVET pathways are equally robust.
- Delivering results on University Transformation Programmes by HLIs, with several HLIs (both public and private) achieving regional and global prominence in their areas of focus and specialisation.
- Ongoing review on progress of initiatives to enhance innovation ecosystems, efficiency and effectiveness, and implement new regulations for private HLIs.
- Continuing diversification of Malaysia’s international student population, targeting top sending countries as well as strategic geographies for Malaysia.
- Ongoing review and enhancement of Malaysia’s global education brand and international student processes to match international practices.
- Completing the establishment of international research laboratories or centres of excellence with prominent international partners.

The higher education transformation will take place over 11 years.
A PROCESS OTHERS ARE GOING THROUGH TOO: (Example) Deciding Level of Tuition Fees

<table>
<thead>
<tr>
<th>Countries</th>
<th>Selected dimensions of autonomy</th>
<th>Decision rights and autonomy of public universities in different countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Set academic structure/course content</td>
<td>Appoint and dismiss academic staff</td>
</tr>
<tr>
<td>High-income countries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Have autonomy</td>
<td>Have no autonomy</td>
</tr>
<tr>
<td>Japan</td>
<td>Have no autonomy</td>
<td>Have limited autonomy</td>
</tr>
<tr>
<td>Singapore</td>
<td>Have limited autonomy</td>
<td>Have limited autonomy</td>
</tr>
<tr>
<td>Middle-income countries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td>Have no autonomy</td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td>Have no autonomy</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td>Have no autonomy</td>
</tr>
</tbody>
</table>

2. HONG KONG: Only able to decide enrolment & tuition fees for self-funded programmes

5. JAPAN: MEXT sets standard fees & allows national universities to increase up to 20%

9. INDONESIA: Fees need parliamentary approval

15. MALAYSIA: Needs government approval, except for graduate programmes
13. MALAYSIA: Needs approval from Academic Dept & MQA

HOWEVER, since 2010, we allowed for “Self-Accreditation” to qualified institutions. In 2017, a total of 16.

Universities can top-up staff salaries with self-generated revenue.
Lecturers Scheme: Special

1) **Merit-based scheme.**

2) **Can skip grade.**
   i.e. Straight to professor

3) **PhD holders immediately Grade 51.**

4) **Promotion criteria is Universities Autonomy.** HR determines
A GROWING PROCESS

“.. universities in most European countries up to the last decade have lacked full fiscal and managerial, and sometimes, even legal autonomy. … this position… changed from 2000 onwards, with the growth of EU’s consciousness of (its) competitive position…”

- Michael Shattock (2017)
“Greater autonomy is required for HLIs’ future success”

Why Empowered Governance & Autonomy?

Type of student
- Heutagogy
- Mobility

Modes of Instructions
- MOOCs
- Blended

Global Competition
- Research
- Ranking
- Student-Life

Overall Complexity
- Funding
- Sustainability
- Societal Impact
What are our Goals?

- Responsive
- Flexible
- Innovative
- Efficient
Goals: Tight Controller to Regulator & Policymaker

**Light control**

<table>
<thead>
<tr>
<th>Key characteristics</th>
<th>Baseline funder</th>
<th>Regulator and policymaker</th>
<th>Oversee</th>
<th>Tight controller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide direct funding per student (capitation model)</td>
<td>All the roles of baseline funder, and additionally:</td>
<td>All the roles of regulator and policymaker, and additionally:</td>
<td>All the roles of overseer, and additionally:</td>
<td>All the roles of tight controller</td>
</tr>
<tr>
<td>Provides competitive indirect research funding through agencies</td>
<td>- Sets overall policy framework and legislation</td>
<td>- Overall direct strategic decision maker</td>
<td>- Appoints the President or Vice-Chancellor and senior officials</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Establishes key targets for undergraduate admission</td>
<td>- Can set admission criteria per programme</td>
<td>- Heavily involved in - Strategy setting and operational delivery across the board</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Provides framework to direct funding for critical research areas (set agenda for university)</td>
<td>- Support universities on large investment projects (alternative to endowment in lower control models)</td>
<td>- Policy setting at all major decision levels</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Control enforced through heavy funding</td>
<td></td>
</tr>
</tbody>
</table>

**Example**

- Oxford
- Cambridge
- Tokyo
- Universitas Indonesia
- National Taiwan U
- Chulalongkorn U
- UC Berkeley
- Tsinghua
- Malaysian public universities

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1 Oxford and Cambridge are expected to supplement teaching funds with own fundraising

**Source:** Interviews, university websites
While Autonomy and Success are linked, it’s not always absolute.

Regulator & Policy Maker Category

Chulalongkorn University
- Founded 1917
- QS World: 252
- QS Asia: 45
- THE Asia: 151 – 160th

University of Malaya
- Founded 1851
- QS World: 325
- Asia: 67
- THE Asia: 251+

University of Indonesia
- Founded 1945
- QS World: 68
- QS Asia: 21
- THE Asia: 24th

Tight Controller

National Taiwan University
- Founded 1949
- QS World – 133
- QS Asia – 27
- THE Asia - 59
And… we’ve been doing pretty well. But we can improve further.

11 Subjects. Top 50 in the world. Top 1% in the World. (Research Unis: 10 years old. By design) Top 50 Under 50.
And… not just rankings, but also researchers & lecturers.

Prof. Datuk Dr Amin Embi

Prof. Dr. Esther Daniel

World’s Most Influential Scientific Minds.
## Transfer of decision rights from Government to public universities (10 year end state)

<table>
<thead>
<tr>
<th>Key decisions at Malaysian public universities</th>
<th>From…</th>
<th>To…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve university strategy (vision, mission, focus)</td>
<td>Government</td>
<td>Ministry continues to approve constitution but approval of statutes and rules should be limited to the university</td>
</tr>
<tr>
<td>Approve university constitutions, statutes, and rules</td>
<td>University leadership</td>
<td>Ministry</td>
</tr>
<tr>
<td>Appoint leaders and set terms of office (VC, DVC)</td>
<td></td>
<td>Ministry</td>
</tr>
<tr>
<td>Evaluate performance of leaders (e.g., VC)</td>
<td></td>
<td>Minister appoints Chairman, approves Board members, and appoints VC and DVC (as nominated by Nomination Committee). VC directly accountable to Board and Chairman.</td>
</tr>
<tr>
<td>Change organisation (e.g., establish, merge depts)</td>
<td></td>
<td>Monitoring through performance contract</td>
</tr>
<tr>
<td>Monitoring of HLI quality and reports</td>
<td></td>
<td>Infrastructure management and purchasing decision approvals should be made at the University or College/department levels</td>
</tr>
<tr>
<td>Approve university budget</td>
<td>Treasury Finance Division approves budget from the Government. Board and university departments approve and manage funding from other sources.</td>
<td></td>
</tr>
<tr>
<td>Manage endowment and income-generating assets</td>
<td></td>
<td>Programme and curriculum still needs to comply with MQA but no need for approval from Academic Division at the Ministry</td>
</tr>
<tr>
<td>Set tuition fees</td>
<td></td>
<td>Student discipline and suspension issues should be limited to the University</td>
</tr>
<tr>
<td>Decide allocation of funds and research grants</td>
<td></td>
<td>Management of staff should be separate from Public Service Department control to allow flexibility in attracting best resources and managing performance</td>
</tr>
<tr>
<td>Management of allocated grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure development and management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approve procurement decisions (facilities, services)</td>
<td></td>
<td></td>
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<tr>
<td>Determine number and profile of students</td>
<td></td>
<td></td>
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<tr>
<td>Set student admissions criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make admission decision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approve academic programme and curriculum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student discipline and suspension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appointment and dismissal of staff</td>
<td></td>
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<tr>
<td>Evaluation/promotion of staff; set pay scales/incentive</td>
<td></td>
<td></td>
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<tr>
<td>Set pay schemes (salary designation)</td>
<td></td>
<td></td>
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<tr>
<td>Design staff development policies/programmes</td>
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</table>
# Three stages of implementation for changes in governance structure and decision rights

<table>
<thead>
<tr>
<th>Build Foundations</th>
<th>Accelerate</th>
<th>Achieve</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Significant academic autonomy</strong></td>
<td><strong>Complete academic autonomy</strong></td>
<td><strong>Complete HR, funding and procurement autonomy</strong></td>
</tr>
<tr>
<td>- Give Senate power to approve new programmes without government funding</td>
<td>- Shift program requirements, admissions decision and program approval to HLI</td>
<td>- Implement five year cycle budget review with corresponding performance contract</td>
</tr>
<tr>
<td>- Give Board power to approve internal allocation for creating faculty/centre/school/programme</td>
<td>- Significant HR, funding and procurement autonomy</td>
<td>- Give ability to opt out of civil service human resources scheme</td>
</tr>
<tr>
<td>- Give HLIs power to terminate courses with low response</td>
<td>- Implement new funding formula (for example, funding linked to number of students and performance metrics) alongside new compliance mechanism</td>
<td>- Give HLIs full decision on procurement</td>
</tr>
<tr>
<td>- Give HLIs power to implement enrollment management</td>
<td>- Improve top-up and incentives scheme and performance based tenure track</td>
<td>Autonomy in appointment rights of most senior leadership</td>
</tr>
<tr>
<td>- Pilot admissions selection rights for selected programmes</td>
<td>- Increased governance autonomy</td>
<td>- Provide greater decision rights on appointments to Boards (based on readiness)</td>
</tr>
<tr>
<td>- Ministry’s approval not required for all programmes</td>
<td>- Empower Board to evaluate leadership (for example, VC or President) performance and approve HLI strategy</td>
<td>- Implement separation of academic and administrative roles (if applicable)</td>
</tr>
<tr>
<td><strong>Limited HR, funding and procurement autonomy</strong></td>
<td><strong>Increased governance autonomy</strong></td>
<td><strong>Autonomy can be revoked if HLIs cannot maintain excellence and compliance with performance contract</strong></td>
</tr>
<tr>
<td>- Increase autonomy in raising funds (for example, endowment and waqf)</td>
<td>- Grant exemption from &lt;5% stock ownership</td>
<td><strong>Example criteria</strong></td>
</tr>
<tr>
<td>- Give HLIs power to implement top-up staff promotion system if funds are self-generated</td>
<td>- Increase age limit for contract hiring</td>
<td>80% score on institutional governance, finance, academic governance and human resource dimensions of the UGGI</td>
</tr>
<tr>
<td>- Allow exemptions from Ministry of Finance (MoF) for procurement limits and tender procedures</td>
<td>- Adopt effectiveness assessment framework for HLI governance</td>
<td>&gt;90% score on UGGI dimension across the board, with Finance section updated to reflect new funding formula</td>
</tr>
</tbody>
</table>

**Key actions**

- Foundation on governance autonomy
  - Change board composition based on skill sets and not limited to Malaysians

- Example criteria
  - 80% score on institutional governance, finance, academic governance and human resource dimensions of the UGGI
  - >90% score on UGGI dimension across the board, with Finance section updated to reflect new funding formula

**3-Stage Implementation**

- **Stage 1: Build Foundations**
  - Provide significant autonomy
  - Build institutions

- **Stage 2: Accelerate**
  - Implement new funding formula
  - Improve top-up and incentives scheme

- **Stage 3: Achieve**
  - Gain complete autonomy
  - Implement five year cycle budget review

**Notes**

- Freedom currently possible when HLI is deemed ready for autonomy through assessment based on UGGI.
What are our **Goals**?

BALANCING

**Institutional Autonomy**

**National Agenda**
Last few words…

“With greater autonomy comes greater accountability”
“Autonomy will lead to greater success. The Ministry is committed to this path”
"The Ministry will deliver the Best Education System in the world"

- Dato' Seri Idris Jusoh
  Minister of Higher Education
Thank You