Effective University Leadership and Governance: The Malaysian Case

Ghauth Jasmon

Sunway University
Board Member
Three factors distinguish top international universities from their competitors. The first: A high concentration of talented teachers, researchers and students. The second: Their sizable budgets. The third: A combination of freedom, autonomy and leadership.

World-class universities thrive in an environment that fosters competitiveness, unrestrained scientific inquiry, critical thinking, innovation and creativity. Institutions that have complete autonomy are also more agile, because they are not bound by clunky bureaucracies and externally imposed standards. As a result, they can manage their resources efficiently and quickly respond to the demands of a rapidly changing global market.

In January, Moody’s Investors put a **negative outlook** on the entire US higher education sector, even at major research universities. While few financial experts foresee mass closings in the years ahead, only **500 or so of the 4,000-plus** colleges and universities in the US seem to have stable enough finances to be truly safe.

Private colleges are **discounting tuition too much**, and it is **not attracting enough students**, especially those who will pay more in tuition. The National Association of College and University Business Officers found that private colleges offered freshmen **an average discount rate of 48% last year** -- an all-time high.

For public universities, the big challenge is that states are getting out of the business of higher education. In 1987, states kicked in about **3/4** of what public colleges spent on education; now they contribute about **1/2**. The rest has to come from tuition.

The **collapse of higher education’s business model** has been predicted many times before. Yet more colleges have opened their doors in the past 50 years. Perhaps the continued financial struggles indicate that there are just too many colleges for the marketplace. Moody’s predicts that struggling public institutions are more likely to merge into a larger system than close while private colleges are more susceptible to closure.
The End of the University as We Know It

In 50 years, if not much sooner, half of the roughly 4,500 colleges and universities in the United States will disappear. The technology driving this change is already at work, and nothing can stop it. The future looks like this: **Access to college-level education will be free for everyone**; the residential college campus will become largely obsolete; thousands of professors will lose their jobs; the bachelor’s degree will become increasingly irrelevant; and 10 years from now Harvard will enroll million of students.

An early MIT **online course** called “Circuits and Electronics” has attracted 120,000 registrants. Since then, more than **40 online education providers** have emerged offering thousands of courses taken by millions of registrants worldwide. [www.trueactivist.com](http://www.trueactivist.com)

While edX won’t offer traditional academic credits, Harvard and MIT have announced that “certificates of mastery” will be available for those who complete the online courses and can demonstrate knowledge of course material.

http://www.the-american-interest.com/2012/12/11/the-end-of-the-university-as-we-know-it/
Repositioning Universities

Anant Agarwal, an MIT computer science professor and edX’s first president, told the *Los Angeles Times*, “MIT’s and Harvard’s mission is to provide affordable education to anybody who wants it.” That’s a very different mission than elite schools like Harvard and MIT have had for most of their existence.

The biggest mistake a university could make today is to spend lavishly to expand its physical space. Buying large pieces of land and erecting buildings is an investment in the past, not the future.

**Smart universities should be investing in online technology and positioning themselves as leaders in the new frontier of open-source education. Creating the world’s premier, credentialed open online education platform would be a major achievement for any university.**

**Old attitudes and business models are set to collapse as new ones rise.** Severe financial contraction in the higher-ed industry is on the way, and for many this will spell hard times financially. But if our goal is educating as many students as possible, as well as possible, as affordably as possible, then the end of the university as we know it is something to celebrate.

http://www.the-american-interest.com/2012/12/11/the-end-of-the-university-as-we-know-it/
Closure Rates Of Small Colleges And Universities To Triple And Mergers To Double.

Exhibit 1
Revenue Stress Will Drive Higher Closure Rates Among Small Colleges Through 2017
Number of college closures by calendar year

Sources: US Department of Education National Center for Education Statistics, Moody’s Investors Service for expected 2014 total and projections
Reasons Why Over 50% of Colleges in the US will Fail by 2030

Futurist Speaker
July 5th, 2013

Overhead costs too high & Pricing competition
Substandard classes and teachers
Inconvenience of time and place
On-line education & Credentialing system
Relationships formed in colleges will be replaced with other relationship-building systems
Sudden realization that “the emperor has no clothes!”

Universities Must Gain Financial Independence to Avoid Political Meddling

By Harry Phibbs, Education Journalist

“There are so many targets (on Higher Education) spewing out of Whitehall now that frequently they are contradictory. Those on the receiving end working in our public services can only shrug and choose which ones to follow or give up altogether and just fudge them.”

“The long term answer is for universities to gain financial independence from Government. This would set them free to do their job without political meddling or uncertainty over funding.”

“4 Brilliant Reasons to Not Go to College”

Fact 1: Student loan debt = mortgage debt + credit card debt combined.
Fact 2: Dwindling availability of financial aid
Fact 3: About one-third of millennials say they would have been better off working, instead of going to college paying high tuition.
Fact 4: Nearly 85% of college graduates will return home jobless.

1. Self Application Will Always Beat Education
   Sadly, most colleges won’t teach you to be successful.
   Success has almost nothing to do with education
   Passion beats talent any day
2. Starting With Debt Leaves Your Dreams Dead Until You’re 40
3. Many of Today’s CEO’s Hire Based on: Experience, Portfolio, Personal
4. Entrepreneurship Is the Way Forward

College Tuition Heading Towards Financial Disaster??

American Universities Represent Declining Value for Money
(The Economist, Dec 1st, 2012)

Worrying developments in Higher Education:

(1) steep rises in fees
(2) increasing levels of debt of both students and universities
(3) declining quality of graduates.

The cost of university per student has risen by almost five times the rate of inflation since 1983 (see chart 1), making it less affordable and increasing the amount of debt a student must take on. Between 2001 and 2010 the cost of a university education soared from 23% of median annual earnings to 38%; in consequence, debt per student has doubled in the past 15 years. Two-thirds of graduates now take out loans. Those who earned bachelor’s degrees in 2011 graduated with an average of $26,000 in debt, according to the Project on Student Debt, a non-profit group.

More debt means more risk, and graduation is far from certain; the chances of an American student completing a 4-year degree within 6 years stand at only around 57%. This is poor by international standards.
Getting Real In The Real World: What the Global Workforce Needs

- US Higher Education lagging behind
- Innovation in Higher Education
- Experiential Learning
- Entrepreneurship in Education

Innovation Imperative
Enhancing the Talent Pipeline

In Northeastern University’s third annual national survey on higher education issues, CEOs and other C-suite executives assessed the effectiveness of U.S. colleges and universities in preparing students for the global workforce.

1. Global competition
   54% of C-suite executives believe the U.S. higher education system lags behind both developed and emerging countries in preparing students for the workforce.

2. Rethinking needed
   96% of executives declare that innovation in higher education is crucial for our workforce to remain globally competitive.

3. The need for two “E’s”
   97% of executives believe in experiential learning, and 89% support entrepreneurship education.

Skill Up for Companies

Higher Education Minister Idris Jusoh urges students to take up additional degree via online courses in order to have more opportunities after graduation. [Bernama Sept 25th, 2016]
We revere the skills of prominent CEOs, perhaps more than we should. We romanticize Steve Jobs types, who scream at their underlings until they squeeze sheer perfection out of them.

We lionize Jack Welch, who earned the nickname “Neutron Jack” for his ability to get rid of employees while leaving only the corporate offices standing.

But there’s an underappreciated form of leadership that requires far more skill than being a CEO does. It’s the job of a UNIVERSITY PRESIDENT.

Herman Wells, the former President of Indiana University, once observed that the ideal university president would combine “the physical charm of a Greek athlete, the cunning of Machiavelli, the wisdom of Solomon, the courage of a lion, the skin of a rhino ... and the stomach of a goat.” Not only does the university president need to cajole a bunch of people he cannot fire, he needs to convince others on the outside to contribute billions of dollars to fund his vision. That takes some special skill.
The University President’s Job is Fantastically Complex

Traditional companies open and shutter, and a founding CEO who fails can shrug it off and go on to start something new. But universities are expected to maintain high quality for centuries (Oxford University has persisted for 8 centuries), while they are also supposed to adapt to new developments (like online technology, globalization and so on).

Give credit where credit is due: Apple is a nice little enterprise, but Oxford is expected to survive for centuries to come, while Apple will be a historical footnote.[Rob Asghar, Forbes].

Steven Denning pointed out a few years ago in Forbes that 50 years ago, the life expectancy of a firm in the Fortune 500 was around 75 years. Today, it is less than 15 years. Only 12.2% of the Fortune 500 companies in 1955 were still on the list 59 years later in 2014, and almost 88% of the companies from 1955 have either gone bankrupt, merged, or still exist but have fallen from the top Fortune 500 companies.[Mark Perry, AEIdeas, Aug 18, 2014].

The fate of the Top 500 Global universities appear to be programmed differently from the fate of the Fortune 500???
Consider that Robert Sternberg announced his resignation as President of the University of Wyoming yesterday, after 4 short months in office. After quickly shaking up the campus, he was quickly shaken out of the campus. Entrepreneurs and CEOs talk about being “disruptive innovators.” Sternberg proudly put on the mantle of disruptive innovator at Wyoming, and lost his job as a result. Frankly, he sounds like he would have done well at many companies. But being a university President requires vision and enviable amounts of tact, shrewdness and patience. Eisenhower was one of America’s greatest leaders but had a very unremarkable run as President of Columbia Univ. He didn’t know how to navigate the hyper-intricate human maze of a major university.

There has been an alarming increase in the failure rates of Canadian university presidents. In the past decade, more than 25% (18 Univ Presidents) have failed to complete their first term of office, a figure that was well below 10% in earlier eras. Some high profile examples have stimulated a lot of soul searching on campuses across the country.

Six areas of concern emerged as having played a role in undermining their ability to lead: Board Governance and Communication; Trust within the Executive team; Mentorship; Role of the Predecessor; Effectiveness of the Transitional Process; Issues Relating to Diversity.

http://www.universityaffairs.ca/opinion/in-my-opinion/why-have-so-many-canadian-university-presidencies-failed/
Review of the Book “Presidencies Derailed: Why University Leaders Fail and How to Prevent It”


One of the co-authors, George Washington University President Stephen Trachtenberg, advises presidents to be “slightly paranoid” and governing boards to get their act together.

Trachtenberg said he craved the drama and the circus of the president’s office and the tap-dancing he had to do to avoid getting tagged by his critics.

“One people will try to hurt you,” he said. “There is half-dozen major ways the wheels come off the wagon: Ethical lapses, Poor interpersonal skills, Inability to lead key constituencies, Difficulty adapting, Failure to meet financial objectives, Board shortcomings.

The book suggests some common sense survival tips for presidents: “Don’t sleep with subordinates, Don’t fly into fits of rage, Beware of a former president conspiring with a board member to get his job back, Don’t promptly fire a top administrator whose family’s construction company literally built the college town you’ve just moved to.”

While some presidents may not have enough time to find friends, other presidents may lose them by overstaying their welcome. That happened to Lawrence Biondi, who ended a quarter-century at Saint Louis University amid no-confidence votes and considerable criticism from students and faculty members.

Corporate CEOs lead through CONTROL
Being an effective corporate CEO isn’t that hard, really: Your biggest concern is ticking off your board; otherwise, you get to order underlings around and fire the ones you don’t like. What you say goes.

University Presidents lead through COOPERATION
Being an effective university president involves much more diplomacy and persuasion and vision-selling. Yes, you are beholden to a board. But you have to lead through collaboration and cajoling, not control.

The most powerful group within a university is its tenured faculty. If they refuse to listen to you, you cannot fire them. That’s the whole idea behind academic freedom. But it makes moving in a new direction fraught with peril.
**Who Do You Think Got the Job?**

[Interview Scenario Conducted to Select New VC of a Public University]

**Chairman Asked: “If you are offered this VC job, what would you do to make the university excel further”**

**Candidate 1:** Well I am a graduate of a Top American University, so I will transform this university to become like one ... I will follow what they have done to excel

**Candidate 2:** This university is in a mess now - policies are wrong, direction is wrong, staff are unhappy etc ... so I will overhaul the system and will set new directions.

**Candidate 3:** The university is OK, a lot of new things happening and lots of initiatives have been set.... I will just carry on with what the current VC has done.

**Candidate 4:** I will reorganize the R&D activities so that it will be more aligned to the national research aspirations... Currently no focus and the targets set not met. I will make sure all R&D targets are achieved.
Creating Responsive Universities and Preparing Leaders to Guide Them

J. Matthew Hartley
Alliance for Higher Education and Democracy [AHEAD]
Univ of Pennsylvania

Despite their importance, universities are operating in an increasingly uncertain and turbulent environment. It is well understood that universities need to adapt to a more complex environment in which expectations of higher education have changed beyond recognition [OECD, 2003, p61]. The imperative is to adapt to serve the needs of society during a time of unprecedented economic changes, mass human migration, political unrest, reshaping social lives and business processes due to technology.

Many countries are seeking to create systems of higher education that are responsive and innovative ... many have come to recognize the value of institutional autonomy as a means of promoting innovation and research [Estermann & Nokkala, 2009].

The European University Association’s Lisbon Declaration (2007) pointed out 4 key dimensions in University Autonomy: Organizational, Academic, Financial, Human Resource,
Creating Responsive Universities: Creating a New Cadre of Effective Institutional Leaders

Creating responsive universities that are innovative, responsive to the needs of regional economies, and committed to strengthening the civic life of their regions require developing leaders who can take on this important and difficult work.

Most systems around the world depend on presidents or rectors to learn on the job.

Most presidents come up through the ranks as faculty member, department chair, dean, senior academic officer, and finally president. Most do not want the job, saying the work was unappealing, time demands of the position too high, and many do not want ‘to work in a fishbowl’
MINISTER’S POWER IN MALAYSIAN EDUCATION


- Public HEIs in Malaysia in practice do not have the authority to decide on the number of students and tuition fees. The topics and content of new degree programs also have to be approved by MOHE. In 2005, all public universities immediately complied with the Ministry’s requirement to rewrite their degree programs according to the Ministry’s guidelines on the competencies that students should acquire. Although the MQF was supposed to be a guideline, standardization seems to be the order.

- Strict Ministry control has created an environment where the prime movers/agenda-setting of higher education are not HEIs, but the Ministry through its directions. The effect is limiting HEIs from being creative and self-reliant in managing their own intrinsic assets and developing unique values of individual Malaysian HEIs.

- HEIs have been struggling for real autonomy and have argued that the universities should be given the authority to decide on cost, new programs, content, and methods of instruction, in consultation with industry and other stakeholders, without much interference from MOHE.

- Whilst it is often stressed that Autonomy exists, the practical reality does not show that.

http://penangmonthly.com/crisis-ahead-for-private-higher-education-and-solutions
MINISTER’S POWER IN THAILAND & INDONESIA EDUCATION

• For Thailand, the involvement of the central governments in managing HEIs is relatively low, if not totally absent. Hence giving them the freedom to run the system and organization fairly autonomously.

• The case of Indonesia, there are several types of public public university, which is mostly autonomous in terms of both academic freedom and resource management.

• Indonesia is one of the finest examples of a government’s willingness and attempt to find a balance between withholding authority from and yielding autonomy to HEIs. One of the key pieces of evidence showing the willingness of the government to provide more freedom to SOLE HEIs is the increasing role of BoTs, in which the majority of members are from academia or are stakeholders.

http://penangmonthly.com/crisis-ahead-for-private-higher-education-and-solutions
## Government Financial Support to Public University’s Opex

Malaysian Institutions High Dependence on Public Money

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Malaysia</td>
<td>80%</td>
</tr>
<tr>
<td>Singapore</td>
<td>70%</td>
</tr>
<tr>
<td>Australia</td>
<td>20%</td>
</tr>
<tr>
<td>Jordan</td>
<td>30%</td>
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<tr>
<td>Indonesia</td>
<td>30%</td>
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<tr>
<td>Thailand</td>
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<tr>
<td>Philippines</td>
<td>40%</td>
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<tr>
<td>Taiwan</td>
<td>40%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>20%</td>
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</tbody>
</table>
Source of income for Chulalongkorn University

- Funding – 60% government, 40% non-govt
- Revenue of Chulalongkorn University 2010

<table>
<thead>
<tr>
<th>Source of revenue</th>
<th>Amount ( Million Thai Bhat )</th>
</tr>
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<tbody>
<tr>
<td>Government grant</td>
<td>4,519 (38.6%)</td>
</tr>
<tr>
<td>Tuition fees</td>
<td>2,678 (22.9%)</td>
</tr>
<tr>
<td>Commercial/land management</td>
<td>2,508 (21.4%)</td>
</tr>
<tr>
<td>Research grants</td>
<td>1,148 (9.8%)</td>
</tr>
<tr>
<td>Continuing education service</td>
<td>505 (4.3%)</td>
</tr>
<tr>
<td>Donations</td>
<td>181 (1.5%)</td>
</tr>
<tr>
<td>Others</td>
<td>168 (1.4%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,707 (100%)</strong></td>
</tr>
</tbody>
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https://books.google.com.my/books?id=QymNDAAAQBAJ&pg=PT25&lpg=PT25&dq=source+of+income+for+chulalongkorn+university&source=bl&ots=q8a7bviRoM&sig=nOe__9YRE2f6KB2ISHdpM50y8hk&hl=en&sa=X&redir_esc=y#v=onepage&q=source%20of%20income%20for%20chulalongkorn%20university&f=false
The **Council** is the **governing body** of the University and has the **entire direction and superintendence** of the University. The primary responsibilities include:

**Appointing and monitoring the performance of the Vice-Chancellor/Principal as CEO of the University;**

Approving the **mission** and **strategic direction** of the University and its **annual budget and business plan**;
Overseeing and **reviewing the management** of the University and its performance;
Establishing **policy** and procedural principles for the **operation** of the University consistent with legal requirements and community expectations;
Approving and **monitoring** systems of **control and accountability** of the University;
Overseeing and monitoring the assessment and **management of risk** across the University, including **commercial undertakings**;
Overseeing and **monitoring** the **academic activities** of the University;
Approving any significant **commercial activities** of the University.
Seoul National University
[Board of Trustees & President]

The Board of Trustees is the highest decision-making body of the University. It is composed of seven Trustees who are inside members of SNU, and eight Trustees who are independent members.

The Chairperson is elected by the Board of Trustees from among its members.

On behalf of SNU, the President directs overall university affairs, supervise faculty and administrative staff, and guide students. Vice Presidents assist President’s duties
On June 15, 2015, His Majesty the King of Thailand graciously appointed Assoc. Prof. Dr. Chusak Limsakul to a second presidential term at Prince of Songkla University from June 1, 2015 onwards. The first presidential term, which started on June 1, 2012, was due to expire on May 31, 2015.

A Prince of Songkla University Council meeting on March 14, 2015, has approved the initiative to respectfully ask His Majesty the King of Thailand, for the gracious appointment of Assoc. Prof. Dr. Chusak Limsakul to a second presidential term, starting on June 1, 2015.
The university leadership is in the hands of the Rector whose main tasks are to perform the overall management of the university, implement education and research, ensure public engagement, foster academicians–teaching staff and students– and alumni, both in the university and the society.

The Rector is appointed and dismissed by the Board of Trustees for a 5-year term, after a selection process in an open meeting specially held for the purpose.
ENHANCING UNIVERSITY BOARD GOVERNANCE AND EFFECTIVENESS

UNIVERSITY TRANSFORMATION PROGRAMME GREEN BOOK, SEPTEMBER 2015
UTP Green Book: Board Accountability

Fiduciary duty in academic and research institutions

Fiduciary duty. A fiduciary duty is a legal duty to act solely in another party’s interest. A fiduciary is expected to be extremely loyal to who they represent to ensure that there is no conflict of duty and they do not profit from their position.

Board accountability. University Boards are accountable to the Minister and the Ministry. As per their fiduciary duty, Boards have a legal and ethical responsibility to act in the interests of the Ministry, which in turn has a fiduciary duty to act in the interest of all stakeholders.

University Boards are accountable to the Minister and the Ministry
New Board members will be formally approved and appointed by the Minister after being nominated by the Chairperson of the Board. A nominations committee, comprised of senior Board members, the Vice-Chancellor, academic representatives, and other external stakeholders should assist the Chairperson by nominating well-suited candidates.

- The nomination committee begins the appointment process by collecting names of potential candidates from the academic community, alumni, and other stakeholders.

- Potential candidates are screened based on pre-set criteria. These criteria should align with the current needs of the Board to maintain appropriate diversity and skill sets among its members.
UTP Green Book: Appointment of Vice Chancellors

Nominate

The university Board will nominate Board members for the Select Committee responsible for identifying Vice-Chancellor candidates. The committee will also comprise of Ministry of Higher Education leadership, as well as external members.

Candidates will be identified and sourced from both within and outside the university academic community, and can be from either the public or private sectors. Vice-Chancellor candidates will be nominated to the Minister for approval and appointment.

VC candidates will be nominated to the Minister for approval and appointment.
Exhibit 5

The impact of high-performing university Boards

Strong, well-functioning Boards leverage influential members of different stakeholder groups to foster institutional excellence and provide strategic direction.

- **Greater accountability**
  Increases accountability of the university as major policies, initiatives, and academic research programmes must be justified to the Board. The university management committee is directly accountable to the Board (rather than the Ministry), keeping accountability closer to the university itself. The Board is in turn accountable to the Ministry and other stakeholders.

- **Representative of university’s overall interests**
  The Board keeps the overall university interest in perspective when setting strategy or policies. Board members are appropriately diverse such that no one member or stakeholder group dominates decision-making.

- **Strong income generation network**
  University Boards will be expected to activate more revenue generating activities to support growing costs. A high-performing Board will tap into their networks and relationships in order to drive income generation via levers such as gift-giving, corporate support, endowment development, and WEAP funds.

- **Comprehensive external view**
  Diverse Board members originating from inside and outside the university provide the Board with a perspective on the institution’s context, acting as a mediating agent between the interests of the institution and the needs of the surrounding society.
UTP Green Book: Income Generation

Income generation

The Board will drive fundraising efforts, providing leadership for the identification and solicitation of significant gifts to the university. The Board should leverage a diversified composition with members from a variety of sectors and backgrounds to expand access to (and influence within) prominent corporations, institutions or broader networks that may be leveraged as potential funding sources.

While many Board members may be significant donors, Board posts should not be “rewards” for donors. It is important that Board members have the relevant skills and time to fully undertake the responsibilities entrusted to them and to guide the university to make good investments.

... to guide the university to make good investments
HIGHER EDUCATION BUDGET ALLOCATION: PERIOD 2010 - 2016
IMPACT OF 2016 H.E. BUDGET CUTS

• Major Setback For Public Universities As None Are Prepared
• Cut Down in Academic Activities, Manpower, Expansion Plans
• Setback in Achieving the Objectives of the PSPTN, MEB
• Public Universities Will Run Into Massive Deficits and For Some Will Need To Use Endowment or Savings, Or Resort to Borrowing
• Less Money For Research, Stifling Research Universities
• Less Money for PTPTN Loan – Less School Leavers Will Enter University
• Many Private Institutions Are Already Running Into Financial Difficulty and Some May Have to Wind Up.
• **Malaysia Will See a New Steady-State In Its Higher education Sector As A Result of the Market Rationalization Forced by the Budget Cuts**
Varsities told to source own funds

SERDANG: Prime Minister Datuk Seri Najib Abdul Razak urged public universities to find their own method in sourcing finances without relying too much on government assistance.

"We have to assist the government to find financial resources in managing the universities.

He said universities must take steps in advancing the tertiary institution sector as the nation is set to achieve higher education access to 2.5 million students by 2025.

"Therefore, I hope universities can look for ways in monetising its assets," he said in his speech at the "Majlis Bersama Warga Pendidikan Tinggi" event at Universiti Putra Malaysia, here. Also present were Higher Education Minister Datuk Seri Idris Jusoh and his deputy Datuk Mary Yap Kain Ching.

Responding to a quip made by Idris earlier in his speech that he was leading the smartest ministry, Najib said in jest that those in the education sector were quick-witted and should be able to use their intelligence to look for financial resources. "Let's see how smart you are. Help the Finance Ministry to find financial resources," he said.

Najib also said the nation must focus on science, technology, engineering and mathematics, or STEM, in order for Malaysia to achieve its objective to transform into an advanced economy. "These are the core subjects for any country to become competitive. Therefore we have to put our focus on the STEM education," he said.

He also highlighted the importance of mastering the English language.
University of the Future: A thousand year old industry on the cusp of profound change in Australia [Ernst & Young]

The drivers of change will transform the higher education industry landscape in 15 years from now.

We see the sector developing as follows:

• Universities will be compelled to create new, leaner business models as competition increases for staff, students, funding and partners.

• Public institutions will increasingly be run like corporations, while seeking to maintain the freedom of inquiry and academic rigor that their long-term reputation depends on.

• Private institutions will exploit profitable market niches, while others will create new markets and sources of value; for example, by specializing in select parts of the education value chain.

• Policy makers will seek to maintain steady growth in access to university education. They will search for policy levers and programs that put the higher education sector at the center of a genuine knowledge economy integrated into the Asian region, while inevitably tightening the public purse strings for higher education providers.
Appointment of University VC/President

University VC/Presidents NOT to be appointed by the Minister but by a Joint Committee of the University Board and University Senate.

The Deputy VC (or VPs) and other senior officers to be nominated by the VC/President and appointment endorsement by the above Joint Committee.

All KPIs for VC/President and Senior Officers to be set by the Joint Committee.

VC/President and other Senior Administrative positions to be on Contract Basis Only.
UNIVERSITY BOARD REVAMP

• University Board can no longer merely act as the Monitoring or Approving Body only
• Members and the Chairman are selected by a Joint BOD-Senate Comm and appointed on a fixed term. The Minister does not appoint.
• KPIs must be set for all University Board members, especially endowment/monetary KPIs
• Performance Assessment of all Board members
• All Board members FULL CV and their contributions to the university must be published in the university homepage
UNIVERSITY MANAGEMENT TRANSFORMATION

1. University Management needs a total change of mindset
2. Level of global competitiveness must be pushed up
3. University VCs MUST be a proven academic leader and at the same time has successful business experience
4. Business and Monetary KPIs must be set for all University Management members
5. Academic and Research Excellence shall be crucial and vital alongside KPIs in (2)
6. University Top Management MUST be appointed by a Joint BOD-Senate Comm and NOT the Minister
ESTABLISHING NEW INCOME STREAMS

• Commercialization of Research/Innovative Products (MIH)
• Commercial Development On University Land Banks
• BUSINESS VENTURES: Examples are Healthcare & Health Products, Agriculture & Plantations, Renewable & Alternative Energy
• On-Line Education Certification, Distributed Campuses
• Private Educational System
• Raising International Funds By Listing Successful Ventures in International Stock Exchange
• International Funders & Collaborators In Innovation
Key Propositions

- Malaysian Public Universities are highly regulated and in the last one year suffer huge budget cuts.
- The future of Public Institutions very uncertain but great Opportunity for Universities to transform embracing new technology.
- Public Universities need to operate with greater autonomy.
- Way forward is to be more self-financing; thus the challenge is to remodel the financing of public universities.
- Malaysian Private Universities are largely AUTONOMOUS.
- The emergence of fast growing and highly performing private universities.
- The need for good leaders and good governance in all universities even more pressing now.
Thank You
(QS) Asia Ranking - 2016

27  Universiti Malaya (UM)
49  Universiti Putra Malaysia (UPM)
51  Universiti Sains Malaysia (USM)
55  Universiti Kebangsaan Malaysia (UKM)
63  Universiti Teknologi Malaysia (UTM)
127 Universiti Teknologi Petronas (Petronas)
137 Universiti Utara Malaysia (UUM)
151 International Islamic University Malaysia (IIUM)
179  Taylor’s University
181 Universiti Teknologi MARA – (UiTM)
193 Multimedia University (MMU)
211-220 University Malaysia Sabah (UMS)
221-230 University Malaysia Perlis (UniMAP)
251-300 Universiti Malaysia Sarawak (UNIMAS)
251-300 Limkokwing University of Creative Technology
251-300 Universiti Malaysia Pahang (UMP)
251-300 Universiti Malaysia Terengganu (UMT)
251-300 Universiti Tenaga Nasional (UNITEN)
251-300 Universiti Tunku Abdul Rahman (UTAR)
301-350 Universiti Tun Hussein Onn Malaysia (UTHM)