

UNIVERSITY OF MALTA

DEPARTMENT OF PUBLIC POLICY

**The Governance and Management of Public Higher Education Institutions in
Malta**

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Thesis submitted in fulfilment of the requirements for the degree of Doctor of
Philosophy in Public Policy with the Faculty of Economics, Management and
Accountancy

April 2021



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This is to certify that the work I am submitting is my own. All external references and sources are clearly acknowledged and identified within the contents. I am aware of the University of Malta regulations concerning plagiarism and collusion.

To all those who value the simple and small details of life.

ACKNOWLEDGMENTS

My most profound gratitude and appreciation goes to my supervisor, Professor Edward Warrington who expertly guided me in the best possible manner throughout my doctoral studies and for his constant support during the pursuit of these six years of discovery. My supervisor's encouragement and support were a constant inspiration during this long research journey, including when I published parts of my thesis.

My appreciation and thanks also extend to all the officials representing public higher education institutions with whom I interacted and came in contact with during this thesis. The officials include academic, administrative and managerial members of staff who shared their knowledge during the observation sessions as an integral part of my research methodology. I am also indebted to UM's Rector, Professor Alfred J. Vella and to the Principal and CEO of MCAST, Professor James Calleja, who as leaders of the respective institutions, gave me the necessary access to information.

My gratitude also extends to officials from the Ministry for Education and Employment (MEDE), the National Commission for Further and Higher Education (NCFHE) which at the very end of my research has been transformed into Malta Further and Higher Education Authority (MFHEA), the National Statistics Office (NSO) and representatives from external stakeholders that form part of the Civil Society. These entities were crucial to give me the necessary national perspective.

Finally, and most importantly, I am immeasurably indebted to my wife who is always there for me offering her unconditional support.

ABSTRACT

Governing and managing a higher education institution is complex, laborious and dynamic. The way in which governing bodies, academic units, regulatory units and management support units may possibly be compared to an engine that needs to be well-oiled to help institutions operate in the best possible manner. If any part of the engine is not functioning properly, the engine will stop working and could possibly bring everything to a halt. Institutional governance and management function in a similar manner helping institutions to perform efficiently and effectively.

Ensuring an effective interlink between context, strategy, governance and management is extremely challenging given that the context changes rapidly, at times faster than the way in which institutions change their governing arrangements and management support. This interlink is further complicated with the influence that external stakeholders have on higher education institutions (HEIs). HEIs deal with a multitude of stakeholders through a dynamic multi-level agency model. This scenario entails that HEIs face tensions and limitations to implement their respective strategies and to perform at a national level and on an international platform. Achieving national and international results entails the coordination of policy frameworks in a continuum of policy areas.

The challenge is to capture in a pictorial, factual and practical way a dynamic spheres of governance and management that is triggered by a minor initiative within institutions and ends at achieving national performance indicators. Therefore, this thesis goes beyond the theoretical notion of intertwining governance with management. It seeks details and practice. Performance indicators are to be used with caution and within the background of a series of governing and management institutional initiatives that are not necessarily measured. The universal development of these mentioned models is tested and applied in the laboratory of two main public HEIs: UM and MCAST, in the context of a small island state. The doctoral research provides a detailed analysis of Malta's higher education governance and management at an institutional level within a national perspective.

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LIST OF ACRONYMS

APQRU	Academic Programmes Quality and Resources Unit
CDE	Council for Doctoral Education
ETC	Employment and Training Corporation
EU	European Union
EUA	European Universities Association
HEI	Higher Education Institution
HESA	UK Higher Education Statistics Agency
KPI	Key Performance Indicator
MCAST	The Malta College of Arts Science and Technology
MEDE	Ministry for Education and Employment
MUHC	Malta University Holding Company
MQF	Malta Qualification Framework
NAO	National Audit Office
NGO	Non-Governmental Organisation
NCFHE	National Commission for Further and Higher Education (now transformed into Malta Further and Higher Education Authority - MFHEA)
NQF	National Qualifications Framework
NSO	National Statistics Office
OECD	Organisation for Economic Cooperation and Development
OfS	Office for Students
PPCD	Planning and Priorities Coordination Division
PVC	Programme Validation Committee
QAC	Quality Assurance Committee
QSU	Quality Support Unit
SOP	Standard Operating Procedure
UM	University of Malta
UK	United Kingdom

CHAPTER 1

INTRODUCTION: THE CONTEXT AND AGENDA OF THIS STUDY

1.1 The governance and management of Malta's public higher education institutions: the research questions and the novelty of the thesis

The focus of this thesis is performance: it is fundamental to the study of higher education governance and management. The thesis proposes the notion that any higher education activity revolves around performance. Consequently, the main research question of the thesis is: what are the effects of governance and management on the performance of Higher Education Institutions (HEIs)?

The improvement of institutional performance has been increasingly on the agenda of global higher education in the last four decades. HEIs have become under pressure to demonstrate value for money and to be more effective and efficient while ensuring quality and standards in the manner that they operate. Such an operational undertaking was influenced by the industry through the quality marks (Pounder, 1999). Higher education performance improvements are not/should not be specifically related to a particular activity but through a general notion of becoming a better functioning institution (Shattock, 2010).

The definition of performance in higher education, which rests on three main key terms namely: efficiency, effectiveness and quality, leads to other two important elements for this thesis: governance and management. As stressed by Hénard and Mitterle a number of researchers such as Middlehurst and Kiplic distinguish governance which denotes the structures, functions, processes and organisational traditions from the procedural, day-to-day aspects of management (2009: 27). Governance concentrates on the systems, structures and processes while management focuses on the implementation, decision-making and control. Governance refers to the high-level organisation at the top echelons of the institutions and management embraces the importance of efficiency and effectiveness of the Council, Senate and any other governing bodies. Governance is also about the framework for ensuring participation and stakeholder involvement and management strengthens this notion through an operational running and leadership (UNISA, 2006).

In an attempt to deal with the broad and comprehensive aspect of performance, governance and management this thesis introduces the concept of the ‘governing and managerial engine’ and presents a study of the governing and managerial state of higher education in Malta at an institutional level by taking into consideration the macro-national context. Strategic Key Performance Indicators (KPIs) in seven main policy and academic spheres are established and assessed against a set of governing and managerial enablers or inhibitors. This approach rests on five essential elements: context, strategy, governance, management and performance. This doctoral research also investigates selected cross-cutting themes that are associated with higher education in the Maltese context.

To investigate properly the primary research, a portfolio of secondary issues was identified. This includes analysing the context of higher education, assessing the notion of performance, evaluating the transition of the state-institutional model into a dynamic model to achieve the performance targets, studying the intra and inter-institutional elements that ultimately influence performance and exploring the way in which performance affects the institutional operations as well as the wider context of higher education. The categories of the secondary research questions are the following:

Category 1: the HEI sector - In what ways are governance and management interrelated, distinct or **complementary** when analysing Malta’s higher education sector? What were the main contextual contributors from a governing and management perspective that shaped Malta’s higher education sector?

Category 2: the notion of performance - What governing and managerial factors dynamically enable or inhibit public institutions to achieve performance targets? To what extent could a KPIs framework measure national and institutional higher education attainment? What are the limitations of KPIs in the quest for enhanced institutional performance?

Category 3: the state-institutional relationship - What limits are inevitable on the autonomy of public HEIs? What is the role of the Maltese government in the governance and management of higher education? What changes took place at a national level to move from a state-institutional relationship towards a dynamic multi-level agency model? How is this transition influencing institutional governance, management and the attainment of KPIs?

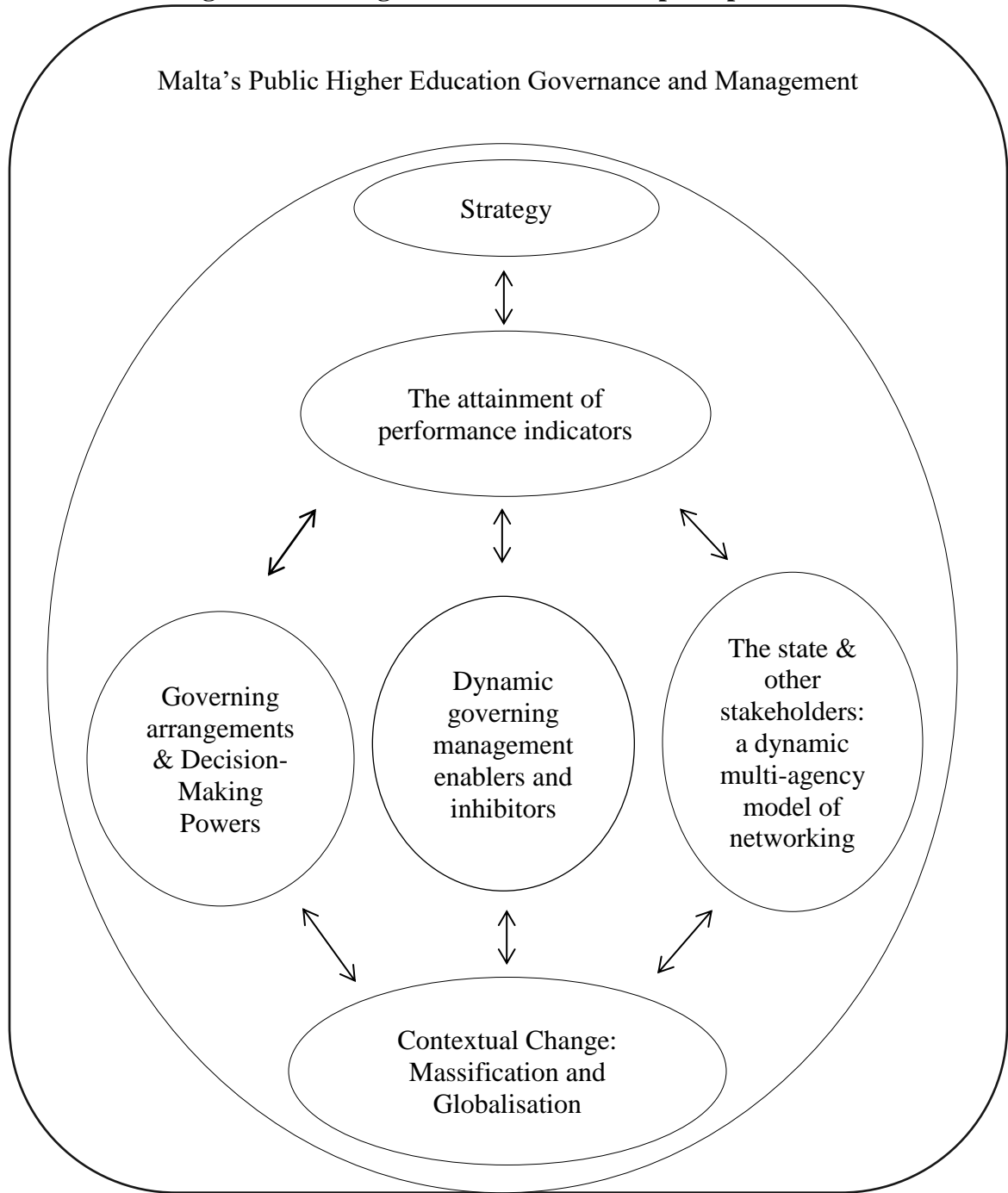
Category 4: Intra and inter-institutional elements - In what ways can academics and management staff work together, if at all possible, in managing and governing a public higher education institution? To what extent are governing arrangements responding to the exigencies of higher education realities? Are governing arrangements inhibiting the managerial aspect of institutions? In what ways are governing arrangements synchronised with management? How is it possible to render the management of resources into an evidence-based performance exercise?

Category 5: consequences of performance-oriented governance - How will this influence the flexibility, creativity of public HEIs and the academic freedom? How could institutions and national governments design higher education strategies and formulate operational strategies to achieve the strategic objectives?

The analysis is limited to two main public institutions offering courses at Higher Education Level: the University of Malta (UM) and Malta College of Arts, Science and Technology (MCAST).

As depicted in Figure 1.1, the novelty of this thesis involves four dimensions: first it analyses Malta's public higher education governance and management situation. This is the first study to be conducted at a Ph.D. level in relation to Malta's public higher education governance and management. Second, the analysis provides a holistic perspective by combining contextual change, strategy, governance, management and performance targets. Third, the thesis sustains the difference and interconnection between governance and management by eliciting a comprehensive set of practical examples at an institutional and national level. Fourth, the thesis constructs a comprehensive portfolio of soft and strategic KPIs that includes an index of cross-cutting issues, as well as enablers and inhibitors that influence HEIs performance.

Figure 1.1: A diagram of the thesis conceptual plan



Author: Colin Borg (2020)

1.2 A brief outline of Malta's public higher education governance and management

It is pertinent that before explaining the context of Malta's higher education governance, a clear definition is outlined for terms which are often used interchangeably: further and higher education.

According to a 'Report of the Survey held by the National Commission for Further and Higher Education' in 2013:

Further education is defined as all non-compulsory formal, non-formal and informal learning which serves to obtain a national qualification classified at MQF levels 1 to 4, or a foreign qualification at a comparable level, be it of an academic or vocational nature (2013: 10).

On the other hand, Higher Education refers to MQF levels 5 to 8. This means, higher education refers mainly to education, which is provided after secondary level, at tertiary level.

Before, discussing this theme, a brief introduction of Malta's higher education sector is required. As from 1995 onwards, the development of higher education in Malta has been steady and pronounced. A staggering increase of 43.2% students was registered as from the year 2000 until 2012. In fact, in 2000, 6,362 students were following courses at higher education level. The number of higher education students increased to 14,718 in 2012 (NCFHE & MEDE, 2014). The increase in students' numbers could be attributed to a series of policy initiatives intended to stimulate student enrolment at tertiary level (von Brockdorff, 2010). The initiatives are consistent with the global phenomenon of massification.

Despite these encouraging results, the percentage of higher education achievers is well below the European Union (EU) average. In 2013, Malta's percentage of 30 to 34-year-olds who were in possession of higher education qualifications is 26%, while the EU average stood at 36.8%. Moreover, the proportion of early school leavers was still very high (20.8%) when compared to the EU counterparts (12.0%) (NCFHE & MEDE, 2014). In 2019, the EU average increased to 40%, while Malta's rate increased to an impressive 38% (Eurostat, 2020). Even though there has been such a dramatic increase in higher education attainment, Malta's figure is much lower than other European

Countries and exceeds only marginally the levels in Croatia, Bulgaria, Czech Republic, Hungary, Portugal, Germany, Italy and Romania.

Malta's higher education sector is expected to grow at a rate which requires a significant investment in order to cater for accelerated growth in student numbers. An increase in student numbers also requires an effective governing and managerial engine within the institutions and on a national level.

If student numbers are taken as a basis and an example of a universal higher education performance indicator, the question worth investigating is how are national and institutional governing bodies working in tandem with managerial processes in order to cope with the increase in student numbers and to enable HEIs to grow more? The answer to this question rests on a number of dimensions: legal, structural and managerial. This study is focused on institutional governance but it also investigates the state's contribution to Malta's higher education, the role of the Ministry responsible for Higher Education and NCFHE. It also assesses how the governing bodies and the institutional structures function with state agencies.

From a national perspective, in a number of countries, funding to universities has decreased substantially and a policy of neo-liberalism has flourished. Indeed,

.....a neo-liberal policy agenda dominated and during this period university funding from the state was significantly reduced while student fees increased (Austin & Jones, 2016: 84).

The neo-liberal agenda for has been accentuated by a system of performance-based or formula funding throughout Europe which essentially entails that only a portion of the entire institutional budgeting is guaranteed from the state, if it is the case (Privot, Kulik, Estermann, 2015). Contrary to this trend, the Maltese public higher education sector is almost entirely funded by the central government and the budgetary allocation for this sector has increased substantially in the last ten years. Funding is outlined in the annual budget speech of the Minister for Finance (European Commission, 2008) and the respective budget votes pertaining to higher education institutions are published each year in the Financial Estimates of the Ministry responsible for Finance (von Brockdorff, 2010). Other sources of financial injection are EU funds, especially the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Institutions are

scrutinised by a centralised managing authority (the Planning and Priorities Co-ordination Division – PPCD) in order to obtain these funds especially to ascertain that funding is consistent with the nation’s priorities. Therefore, higher education institutions depend on the decisions **taken** at a central government level. State funding and the dependency of higher education institutions on the state to finance their operation is becoming a challenge for Maltese governments especially if the policy of massification is to continue in the coming years.

The Ministry for Education and Employment is responsible for determining policy. The Higher Education Strategy, which is a policy initiative between the Ministry and NCFHE, discusses the development of higher education in Malta and the way forward for a sustainable future of the sector (MEDE & NCFHE, 2014).

From a legal perspective, the governance of Malta’s higher education rests entirely on the Education Act, Chapter 327 of the Laws of Malta. The law was enacted in 1988 and it provides an explanation of the different functions of the Education Directorate and its co-operation with schools, colleges and not least with the University and MCAST, the duty of the state to provide education, a defining framework of further and higher education, details concerning the governance of colleges, the University of Malta and MCAST and other important considerations such as the teacher’s profession and the financial provisions. Throughout the years, the Education Act was amended substantially with the more recent amendments being legally promulgated from 2010 onwards (Education Act, 1988).

The Education Act also highlights the role of important central agencies such as the National Commission for Further and Higher Education (NCFHE) which was set up in 2006 and is the competent authority for licensing, accreditation, quality assurance, and recognition of Higher Education providers; the promotion and facilitation of lifelong learning and vocational education; maintaining the Malta Qualifications Framework; ensuring the compilation of, and, where necessary, updating the skills, competences, knowledge and attitudes of jobs in the labour market which are crucial for higher education institutions to design their courses and the validation of informal and non-formal learning (Education Act, 1988: 37).

In addition to these roles, the NCFHE acts as the main research and consultative arm for the Government, it serves as a structured dialogue with the different stakeholders involved in this sector,

the liaison with European Union institutions, maintenance of the Quality Assurance Framework, administration of the National Qualifications Framework (NQF), development of National Strategy in Higher Education and acts as a medium of information to the general public (NCFHE, 2013: 10). The Commission also recommends policies related to both the education and finance in order to address sustainability issues from various points of view. These include financial sustainability, building the necessary structures to provide effective guidance to students when it comes to their educational pathways, research, innovation and knowledge transfer.

The main provider of tertiary education in Malta is the University of Malta (UM). The second largest public HEI is the Malta College of Arts, Science and Technology (MCAST). MCAST has been offering courses at degree level since 2009. A comparison is made between the UM, which is more than 400 years old and MCAST, which was set up in the year 2000. Given its long history, which dates back to 1592, the structures of the University represent a mix of a traditional approach and a business-like orientation in order to adapt to today's realities (<http://www.um.edu.mt/about/uom/history>). MCAST, which is a relative new institution, only adopts the business model, although the thesis exposes the reality that being a newer institution does not necessarily entail that the it has embraced managerial reforms more than older institutions.

In addition to public institutions, tertiary education is also provided by private institutions which are mainly franchises of either American or British universities. The number of these private institutions is increasing substantially every year.

Institutional structural details and key decision-makers are outlined in sections seven (7) and eight (8) of the Education Act. Both sections explain the governing arrangements of the UM and the MCAST. The Act outlines (i) the main functions of both institutions and their respective role in the higher education sector; (ii) the governing bodies which are responsible for the resource management and academic affairs of both higher educational institutions; and (iii) the principal officers (Education Act, 1988: ss 41-64). The UM's main governing and decision-making bodies are the Council, Senate and Faculty or Institute Boards. The principal officers which are the main decision-makers are the Chancellor, Pro-Chancellor, Rector, Pro-Rectors, the Secretary, the Deans/Directors and Deputy Deans of Faculties or Institutes (Education Act, 1988: 43).

On the other hand, MCAST is composed of a Board of Governors, an Administrative Bureau, a Principal who acts as the Chief Executive Officer and an Administrative Director whose role is distinct from that of a Registrar (Education Act, 1988). These roles and the structural arrangement of three main colleges namely: the foundation, the technical and the University College are compared with the University's governing structures in order to assess whether certain differences are the result of purely historical traditions, academic reasons or organisational cultures. Having said this, the focus of this study is on MCAST's University College or on the governing and management dynamics surrounding courses that are of Level 5 and higher. In 2018, MCAST took the decision to dismantle the concept of sub-colleges, although they manage the college in a tripartite virtual fashion as before when it comes to programmes and initiatives.

The governing ethos, decision-making powers and performance management are analysed within an international perspective and by referring to the proposed new University Act (MEDE: 2017) that is planned to replace the Maltese Education Act that was enacted in 1988. The planned new UM Act, first mooted in a consultation document in 2015, would repeal the existing Education Act and replace it with ad hoc legislation for the institution. This strategic move would certainly influence the governance and management of Malta's higher education given that the specificities of the governing arrangements will be focused from an institution point of view rather than a broader macro-view of the entire nation. MCAST's decision to follow suit and introduce a new act means that the policy decision of embarking on a framework of separate institutional acts is to be reviewed from a national coordinative mechanism aspect. Separate acts could prove a challenging task in order to co-ordinate separate governing structures effectively. Other governing issues stemming from the creation of independent separate institutional acts relate to the degree of institutional autonomy vis-à-vis the central government as well as the hierarchy of governing layers that involves the decision-making powers of both institutions and the central government.

The introductory analysis of Malta's higher education governance has highlighted the reality that governance is not only influenced by the legalities of national and institutional acts but is also triggered by the inevitable and continuous process of change

Studies of higher education governance and management fall into two broad categories. One category tends to focus on single aspect such as educational leadership and management (Bush, 2011), student involvement and academic outcomes (Mitchell, 2015), locus of authority (Bowen, 2015) and democratisation (Blessinger et al., 2015). The second strand undertakes comprehensive overviews of governing and managerial issues that address a range of themes. These include studies by Altbach (2016), Austin & Jones (2016), Shattock (2006 & 2010) and Tierney (2004). They provide a broad ranging analyses that are theoretical as well as comparative. Clark's (1983) study, which provides an overview of higher education, is considered to be foundational, embedded in the context of the 1980s by providing a general overview of higher education.

One of the first decisions to be taken in my own study concerned how this extensive body of literature, comprising scholarly and official studies, could best be deployed to guide, support and deepen the investigation of Malta's state higher education institutions. Taking's Dunne's (2010) approach, a preliminary review of the literature served to clarify the main themes investigated in this thesis. Three themes appeared to be significant.

The first theme is the context of higher education and the principal drivers of change. In this regard, the broad-ranging analyses referred to in the foregoing paragraph yielded important insights: they constitute the bedrock of the second and third chapters of this thesis:

- Chapter 2: Researching higher education governance and management in Malta
- Chapter 3: The context of higher education in Malta: the rise of governance, management and performance

The arrangements for governance and management constitute the second major theme. Here, both generic and single-subject studies yielded important insights that were applied in choices about the scope and methods of the Malta investigation. For this reason, they were used to erect an analytical framework for the fourth, fifth and sixth chapters of the thesis:

- Chapter 4: The influence of the state-institutional relationship on the performance of HEIs: the transition from a state-agency model into a dynamic multi-level agency model

- Chapter 5: The drive of institutional governing arrangements towards managerialism and performance
- Chapter 6: Performance oriented management in public higher education

The third major theme of the study is institutional performance. Once again, both the generic and the single-subject studies were deployed to craft an analytical framework for the final division of the thesis, which consists of the seventh, eighth and ninth chapters:

- Chapter 7: Linking strategy, governance and management towards enhanced institutional performance
- Chapter 8: The policy implications of strategic governance
- Chapter 9: The knowledge connotations of strategic governance

Following Payne (2007), this approach to research and writing presents a major strength: dynamism in data collection and in-depth analysis.

1.3 An overview of the field of higher education governance and management

1.3.1 The main drivers of change and their influence on higher education governance and management

Change is a constant challenge to HEIs, as it influences the way institutions are governed and managed. The extent of the change itself and the complexity of managing change are analysed in Chapter 3 through a brief historical analysis and a comprehensive examination of the changes affecting institutions. Two drivers of change appear to be significant: massification and globalisation. First, the challenge of massification meant that a large segment of the population is moving up the ladder of social mobility. Consequently, the demand for higher education has increased significantly in the last decades. A review conducted by Altbach, Reisberg and Rumbley (2009) reveals that until the end of the 1960s, enrolment rates around Europe were less than 10%. In 2000, the percentage of students enrolled globally in tertiary education increased to 19%, then to 26% in 2007 (OECD, 2009 p.vi). Furthermore, enrolment rates across OECD countries increased by approximately 10% during

the period 1995 to 2010 (OECD, 2012: 13). Massification increased the number of enrolled students in post-secondary education on a global scale to 200 million and is expected to reach 400 million by 2030 (Altbach, 2016). Consistent with this trend, one of the major priorities for the Maltese Islands was to attract 85% of students leaving school into post-secondary education by 2015 (from 59% in 2009), a figure comparable to 80 to 90% worldwide, and to attract 35% of school leavers into higher education by 2020 (from 23% in 2009) (NCHE, 2009: 36).

The phenomenon of massification presented higher education remarkable new challenges worldwide (Altbach, 2016). These challenges, which are analysed in Chapter 3, put pressure on higher education systems. The Higher Education Strategy for Malta published in 2014 proposed specific measures such as increasing the participation of unrepresented groups in higher education. The report cited countries such as Finland, Ireland, Switzerland and the Netherlands which are close to achieving an inclusive system. The projection for Malta's higher education population is that the extent of these unrepresented groups will diminish and will bring a further increase in the student population (NCFHE & MEDE, 2014). This will inevitably greatly increase pressure on the infrastructure of Malta's HEIs, an aspect emphasised in a number of reports and papers such as those published by von Brockdorff (2010) and Camilleri (2010).

Globalisation is the second main driver of dramatic change in higher education institutions. Altbach's (2016) analysis points towards the Cold War that brought about a major shift in regional and international higher education relationships. Globalisation was accelerated by the collapse of the Soviet Union, the emergence of China, as well as the EU's Maastricht Treaty and the Bologna process. It brought about an integrated world economy and opened borders. The post-industrial world has put research, innovation and the transmission of knowledge at the forefront of the new economies. Science and technology became globalised while academic staff and researchers became increasingly mobile, a theme analysed in Chapters 6 and 9.

The internet compounded with the deployment of effective IT systems made it easier for students to apply for admission to foreign universities, move from one university to another and increasingly undertake on-line courses which can be followed at the student's own pace. The rapid development towards a more integrated Europe in the 1990s, intensified inter-institutional partnerships in

numerous different forms, such as exchange programmes and the setting up of branch campuses overseas (OECD, 2009: iv).

The studies reviewed so far focused on providing answers to the changing and highly competitive environment. Governance and effective management are essential for HEIs to respond to the changing environment and to meet their objectives (Austin & Jones, 2016). Chapters 5 and 6 of the thesis analyse these changes and their influence on governing bodies, management and performance. Universities do not operate in a vacuum and have to react to changing student demographics (Cummings, R., Phillips, R., Tilbrook, R., Lowe, K., 2005), the change in students' expectations, the indirect and direct competition in the higher education sector and the ever-increasing problem of limited resources and greater government scrutiny highlighted by Scott (2003) when summarising the changes ahead for all universities.

External pressures raised other challenges: finding alternative ways of funding operational and capital budgets; meeting expectations for enhanced value in the delivery of higher education programmes; the commitment to providing a better service to students; and lessening reliance on public funding. In Malta, the report '2020 Vision or Optical Illusion?' written by former University of Malta Rector Juanito Camilleri, back in 2010, stressed the problem of funding and agreed with von Brockdorff (2010) that the University needs to find flexible and innovative ways of financing its activities in order to cope with the pace of change and the challenge of massification. Camilleri (2010) proposed the exploration of a market-driven approach and new lines of funding in order for the University to be able to invest more in research, in campuses spread in Gozo, Valletta and Cottonera, in collaborative programmes and in its IT systems, including the Student Information Management System (SIMS) which integrated all administrative services in a single online portal.

Inevitably, the awareness of the rapidly changing context prompted interest in governance, management and performance. One example is Leach (2008), who identified those factors arising from a rapidly changing environment that accentuated the importance of governance and managerialism in higher education institutions. Such studies take the view that higher education is to synchronise better with the exigencies of the labour market, the raised expectations for accountability, the pressure to increase student retention and graduation rates, the focus on non-traditional students by investing in liberal arts and science programmes and investing more in online learning courses.

Similarly, a report entitled ‘Governance and Quality Guidelines in Higher Education’ proposed important overarching changes, including:

- i. first, the diversification of provision, especially from private educational organisations which has increased dramatically over the years, not least in Malta;
- ii. second, new modes of delivery including online delivery of material to students;
- iii. third, a more heterogeneous higher education population which is thus far expressed in the substantial increase in women students; and
- iv. fourth, the greater focus on research and innovation which shifted the modus operandi of higher education institutions from predominantly teaching mode to a project-oriented and innovation-oriented mode (2009:18).

1.3.2 The governance and management of higher education

Not surprisingly, the study of governance and management of higher education has gained increasing importance. The strong interlink between governance and management is shown through a number of theoretical models as revealed by the OECD report earlier (2009: 28). The governing model developed by Braun and Merrien (1999) focuses on what is called the “cube of governance” which distinguished three dimensions: first, the non-utilitarian/utilitarian culture which is specifically concentrated on the degree of service and client orientation; second, a loose/tight procedural model which is focused on the degree of administrative control by the state and third, a loose/tight substantive model which is oriented towards goal-setting capacity of governments. Orr and Jeager highlighted the paradigm shift in the governance of higher education in Europe but specifically in Germany. The reform involved three main objectives: minimum state intervention, more university autonomy and defining a new space as well as a new role to the higher education main actors (2009: 33).

Existing studies offer detailed analysis of context; they comprise academic papers and official reports, chiefly those released by the European Commission or European Parliament reports and by regulatory authorities. Context analysis is essential in order to provide the reader with sufficient background information to the governance and management themes investigated. Scholarly context analysis of Malta’s higher education scenario is very limited, apart from a paper by von Brockdorff (2010), which highlights the funding of higher education. Malta’s National Commission for Further and Higher

Education partly fills the void by issuing a technical analysis based mainly on quantitative data. My own study fills this gap by drawing on a portfolio of data issued by NSO and NCFHE and by also using extensive secondary data provided by UM and MCAST.

Governance intertwined with management is a challenging topic to understand and to investigate. This study builds on the existing literature but seeks to fill in research gaps by analysing the invisible hand of governance (Huisman, 2010) and the interrelated management of resources in a comprehensive and practical manner by using Malta as a laboratory. The themes chosen for investigation are drawn from scholarly and official studies of other jurisdictions, which are reviewed in subsequent chapters. The themes include: the context of Malta's higher education; the dynamic multi-level agency model to investigate the networks of the key higher education players; the internal institutional governing structures and cross-cutting managerial themes structures such as leadership; the organisational culture, resources, rules, procedures, accountability, transparency and meritocracy; and staff participation and stakeholder involvement.

In the Maltese context, the importance of governance and management is highlighted in the 'Framework for the Education Strategy for Malta 2014-2024'. The framework outlines seven policy pillars including governance of educational organisations, social dimension, international dimension, quality of education provision, student focus, strategic innovation and performance scoreboards (Ministry for Education and Employment, 2014: 4) that are essentially performance indicators managed through elaborate business intelligence systems. The dynamic and volatile economic, political and social environment enhances the need for long-term planning and strategy formulation for higher education. Such a vision has been outlined in the 'Further and Higher Education Strategy 2020' drafted by the Malta's National Commission for Further and Higher Education (previously the National Commission for Higher Education) (NCHE, 2009).

1.3.3 The evolving state-institutional relationship into a dynamic multi-level governing model: the rising importance of external stakeholders

Before the last part of the twentieth century, HEIs had a relatively sheltered environment from two main perspectives: first, by having a relatively stable market, and secondly, through a guaranteed financial support from the national governments (Austin & Jones, 2016). This sheltered environment

has transformed into a constantly rapidly changing environment that has pressured HEIs to act dynamically. The era of supercomplexity became paramount and resultantly Barnett (2002) points out that, as the sheltered higher education sector of the recent past came under greater pressure, institutions became subject to more scrutiny by the state's institutions. An increasingly sophisticated governing system developed in parallel with the growing number of stakeholders. New models of governance appear necessary to conceptualise these developments, a task undertaken in Chapters 4 and 5 which analyse how HEIs have had to rejuvenate themselves to respond to the external environment. HEIs had to respond to the policy agendas steered by national governments in the 1960s and 1970s that promoted social mobility, individual welfare and the very first concepts of knowledge economies (Schuetze, 2012). Changes in higher education in the 1980s and 1990s gave rise to what Neave (2012) called as 'the rise of the evaluative state' a concept that mirrored the distancing of the state intended to provide more autonomy to HEIs.

Frost, Hattke & Reihlen (2016) proposed a set of governance logics that encapsulate an evolutionary process. Traditionally Universities were self-governing scientific communities, a governance model criticised as an academic oligarchy. The 1968 student movement marked the start of an era of representative democracy in several policy domains, not least in higher education. As a result, more participative and democratic structures gradually began to include academics, non-academics, students and lay members (De Boer, 2002) in university governance. The use of HEIs as an instrument of political goals and of being a market-oriented service provider is also a reality of the contemporary world.

With globalisation and accelerating technological innovation altering the character of both markets and societies, new thinking emerged about the mission of higher education institutions. For example, the European Centre for Strategic Management of Universities in a report entitled 'Higher Education Governance Reforms Across Europe' states that:

Nowhere today is higher education undergoing more substantial change than in Europe. As countries pursue policies designed to integrate their economies, political systems and social structures under a broader, more powerful Union, it is becoming increasingly clear that higher education, research and innovation are critical components to fully realise the potential gains stemming from the changes ahead (2009: 8).

As Austin and Jones (2016) assert, universities educate professionals in a long list of academic fields; from engineering to health science, medicine and surgery to education, commerce to sciences and information technology to new disciplines such as digital media.

Alongside policy and academic debates about the mission of HEIs there emerged a concern about the performance of such institutions.

1.3.4 A historical outline of performance management and public higher education

Historically, from a public sector perspective, performance management gained importance in the nineteen eighties, when the New Public Management (NPM) approach was conceptualised. Governmental reforms inspired by business practice, aimed to render the public sector more efficient and competitive in its resource use and service delivery (Mackie, 2008, p. 12). De Boer, Enders and Schimank (2007) described NPM as a vehicle towards modernisation in the public sector, including universities.

The influence of NPM on the public sector spread to universities. The reasons for this included: the rise of executive management and of the administrative class; the focus on quality, accountability, transparency, quality assurance and the emphasis on performance management and value-for-money audits. Performance management has been rendered significant through the introduction of market mechanisms that led universities to attempt to absorb more funds and reduce their costs whenever possible (Austin, & Jones, 2016, pp. 171-172).

The subject of performance management in public higher education has been raised by numerous academics. Shattock (2010) investigated the recipe for effective institutional management, Saint (2009) emphasised the concept of accountability and the role of institutional boards, while Barzelis, Mejerè and Šaparnienè (2012) explored the importance of the administrative and academic functions, the reduction of bureaucratic processes, the openness of the university, the effectiveness of good communication and the management's understanding of the academic culture.

Performance management literature in higher education is increasingly topical. Benitez, Cruz-Castro and Menéndez (2016), Sondari (2013), Teir and Zang (2016) have proposed a human resource model in higher education, exploring how the regional policy environment is influencing human resources management, and proposing a human capital measurement framework as a basis for performance measurement. Theoretical models have focused on the adaptiveness of HEIs, on the strategic shift from “ivory towers of yesteryear to managerial business models” (Rowlands, 2017, p. 53) and on embedding new styles of performance management in order to achieve an agile, efficient and better style of management (De Vries & Álvarez-Mendoza, 2012).

More specific performance indicators that are intimately related with change and reforms were specified through the Modernisation Agenda document entitled ‘Supporting Growth and Jobs: an Agenda for the Modernisation of Europe’s Higher Education Systems’ published by the European Commission in 2011. The document outlined the reforms which are crucial for a successful future of higher education such as increasing the quantity of higher education graduates at all levels, strengthening the quality and relevance of human capital development in today’s economy, developing effective governance and funding mechanisms, strengthening the knowledge triangle between education, research and business and working towards the internationalisation of higher education (European Commission, 2011: 6).

In Malta, the first study of performance indicators was conducted by Borg, Bezzina and Cassar in 2017. Their report, written during Malta’s presidency of the Council of Ministers of the European Union in the first six months of the year 2017, analyses the factors that contribute to or hinder public service performance. Twelve performance indicators were eventually identified (OPM, 2017), and the first twelve key performance indicators (KPIs) for the public sector were launched subsequently launched across the education, energy and health sectors. There is as yet no national framework to measure performance in higher education. Most KPIs are created in a sporadic, ad hoc manner. More time is required to build the necessary expertise and to inspire an institutional culture that is ready for a KPI-embodied framework.

Accordingly, the thesis presents a comprehensive suite of performance indicators that can be classified into two main categories: academic and management-oriented. The former represents the core activity of HEIs, that of teaching and learning, while the latter addresses the supporting role of

management-oriented KPIs for a better academic performance. Chapter 3 is entirely focused on contextual indicators, Chapters 6 and 8 on management and Chapter 9 on academic indicators. Chapter 7 discusses the challenges and limitations when using KPIs.

1.3.5 Synchronising change, strategy, governance, management and performance: building on the existing theoretical models

The dynamics of change cannot be analysed only in terms of cause and effect. The context of change led HEIs to realise that their energies are not to be concentrated only on their methods of teaching and learning and their research programmes. During the last two decades, there has been a consistent worldwide reform agenda when it comes to the finance and management of universities and other institutions of higher education (Johnstone, 1998: 2). Universities started to focus more on strategic management; managing better their finances, strengthening their structures and leadership; managing the core business effectively; extending their boundaries; building an image and establishing a reputation; being more ambitious; becoming more entrepreneurial, turning around failure and guiding their institution towards success (Shattock, 2010).

This study grapples with the problem of how context, strategy, governance and management are to be synchronised with the dynamic environment of higher education. Early proponents such as Pettigrew (1990), highlighted the political and cultural changes and how these impinge on organisational strategy. Jarzabkowski's (2005) notion of 'strategy as practice' shifts the focus of strategy as merely a receptive of change and proposes that strategy is a construction of strategic stability in parallel with strategic change that involves a myriad of interactions. Jarzabkowski undertook a longitudinal case study for the period 1992-1998 amongst three UK universities. To conduct the study she interviewed Deputy Registrars, Governors, Senior Academics and Heads of Corporate Services, Finance and Research. Jarzabkowski's study goes 'inside the lived experience' of the institution, a perspective that animates my own study especially with regard to the overarching challenge that strategy as practice embraces a totality of variables and situations.

The higher education governing framework developed by de Boer, Enders and Schimank in 2007 transformed the cube concept of Braun and Merrien into five governance streams:

- (i) state regulation which measures the detail and the extent of rigidity of central government direction;
- (ii) stakeholder guidance through goal-setting, which goals are embraced by the key stakeholders in higher education;
- (iii) academic self-governance which puts great emphasis on the role of academic professionals both within their home University and the international academic community;
- (iv) managerial self-governance which highlights the importance of developing effective managerial hierarchies, goal-setting regimes and decision-making powers by the officials leading the higher education institution; and
- (v) competition for scarce resources in terms of money and staff on one hand and on the other the effect of rankings and student surveys on governance (Hénard & Mitterle, 2009: 29).

In addition to the challenge of ensuring an effective interlink between the governance and management domains, Campbell argues that higher education institutions consistently confront the critical challenge of having to negotiate between the academic and executive management interests to achieve a degree of balance. The academic domain focuses mainly on delivering the academic content whilst the executive management is responsible for mobilising and managing resources for efficient service delivery (2008: 9). Both camps have to work in tandem in order to achieve the institutional targets. Management can effectively help academics to reach research targets and to deliver a portfolio of teaching and learning of the highest standards. In today's changing and competitive world, academia cannot live without managerial competence and the effective use of resources.

1.4 Conclusion

This study distils the insights drawn from these theoretical models and applies these models to a holistic analysis of the governance and management of Malta's HEIs. The study encapsulates governance, client-service orientation, state intervention and interaction with various stakeholders from within and outside the institutions. Performance is at the core of the review. Three perspectives are developed to achieve this aim:

First, the thesis examines the interconnection and comprehensiveness of governance and management in what can be described as a ‘dynamic engine’. The **assumption** is that the governance and management of higher education institutions cannot be separated from strategies, policies as well as from the enablers and inhibitors of performance. The study sheds light on the idea that the success of high-level strategy crafting, policy-making and decision-making depends on sound managerial decision-making at different levels, even at the lowest level. Furthermore, performance is inherently tied with governance, management, policy-making and strategy formulation. The dilemmas and limitations typical of such a dynamic governing and managerial engine are studied in detail. A performance framework is developed under two main umbrellas: the policy implications and the intellectual connotations of strategic governance. The performance framework assesses the notion of multi-level governance: from an EU policy-making perspective to the day-to-day management of HEIs.

Second, the thesis probes the notion that performance has become a major objective for Maltese HEIs. Several aspects of performance, ranging from human resources, management and financial management to knowledge transfer and student involvement in governance can be measured. However, the measurement and the achievement of these performance indicators is limited either by incomplete or inadequate information or because certain management functions, such as organisational culture, trust, networking, central-local relations and effective leadership, cannot be specifically measured. This insight of the ‘bounded rationality model of decision-making’ proposed by Herbert Simon (1955, 1972) is applied to institutional performance. As an example, student participation is so multi-faceted that it cannot be measured only by reference to participation in elections. Other important aspects of student participation such as the extent of activism in council or senate meetings and the extent of networking with the key decision-makers

Third, the theoretical model of the ‘governance equaliser’ developed by de Boer, Enders and Schimank (2007) is further assessed and the notion of the ‘boomerang effect’ is explored. Any one of the five governing streams proposed by the authors can act as both an enabler and inhibitor of performance. As an example, a structure could enable the institution to focus more on funding but might also be too complex to handle or have an ill-defined role or be managed inappropriately. This creates what is called the ‘boomerang affect’ or the ‘opposing unintended result’.

This introduction provides a synthesis of the literature review with the aim of producing an evolutionary background to the study. Chapters 3 to 9 articulate a detailed literature review that is specific to the theme under investigation, which literature can be compared and contrasted with the author's findings. Chapter 2 outlines the research agenda of this thesis by showing how a mixed-methods approach can be an instrument to investigate a comprehensive and complex subject matter.

CHAPTER 2

RESEARCHING HIGHER EDUCATION GOVERNANCE AND MANAGEMENT IN MALTA

2.1 Researching complex policy and institutional fields

The aim of this chapter is to tease out the intricacies entailing in researching complex policy and institutional fields by analysing the research methods employed in the existing literature of higher education governance and management from the following perspectives: institutional character and personality; conceptual and theoretical frameworks; and performance.

Public policy is a challenging academic area to investigate. This is reflected in the research methodologies employed to investigate the governance and management of higher education in Malta.

The first major challenge of this research study is the development of a research question, secondary questions and a set of propositions in order to study the subject in a structured, logical and scientific manner. Given that this research area is vast and comprises a multitude of sub-themes, the first step was to identify the main areas of governance to be studied.

The second challenge is to investigate a continuum of themes that are presented by the existing literature in a sporadic manner and transform **the distinctive but interrelated themes** into a coherent framework. The themes include: the networks of the key higher education players, the governing structures and cross-cutting managerial issues such as leadership, organisational culture, resources, rules, procedures, accountability, transparency and meritocracy, staff participation and stakeholder involvement.

The research design of this thesis presents a challenge of covering an extensive framework of governance and managerial processes that are not easy to study holistically and within a limited amount of allowable word-count. The other limitation is the differences that exist between the two main public Maltese HEIs: a vocationally oriented and practice-based MCAST and an academic

oriented University. The differences are not only in nomenclature and their mission but also in the operational and the *modus operandi* of how the two institutions are governed.

Both weaknesses present the main strengths of the research design. The mixed methodology research design provides an opportunity to assess and to build a holistic framework which is original in its nature since it examines the inter-relationship between the governance and management with respect to strategy and performance. It poses the argument that governance and management are not an end in themselves but are a means to achieve important targets at an institutional and national level. The other original aspect is the comparison of a vocationally oriented institution: MCAST with a more academic driven institution: UM. The study attempts to study how a blend of differences at an institutional level poses challenges to achieve national higher education objectives.

A major challenge of this Ph.D. thesis is the development of a research question and a set of hypotheses in order to study the subject in a structured, logical and scientific manner. Given that this research area is vast and comprises a multitude of sub-themes (Cohen, 2011), the first step was to identify the main areas of governance and management to be studied. Following the identification of specific, concrete themes and areas to be researched, the next logical step was to identify the main research question, the secondary question and the hypothesis that form the core of the research design.

After identifying the primary research question, the next entails formulating a set of propositions and their respective secondary research questions. Although on one hand the identification of propositions and research questions at this stage may seem premature or speculative in nature, on the other hand this exercise is of fundamental importance when embarking on an extensive research study (quoted in Cohen, 2011: 12). The following propositions set out a number of variables that are studied in detail. The set of propositions determine different variables while presenting an intriguing agenda for further analysis.

Proposition 1: Governance and Management are distinct but **complementary** spheres that cannot be separated.

Secondary Question: In what ways are governance and management interrelated, distinct or **complementary** when analysing Malta's higher education sector scenario?

Proposition 2: Massification and Globalisation were two main influences in the shaping of higher education institutions.

Secondary Question: What were the main contextual forces shaping Maltese higher education?

Proposition 3: A number of governing and managerial dynamic factors enable or inhibit public HEIs to achieve their strategic objectives and the specific Key Performance Indicators (KPIs).

Secondary Question: What governing and managerial dynamic factors enable or inhibit public HEIs to achieve performance targets?

Proposition 4: A KPIs framework measures institutional higher education attainment

Secondary Question: To what extent could a KPIs framework measure institutional higher education attainment? What are the limitations of KPIs in the quest for a better institutional performance?

Proposition 5: Public institutional autonomy and academic freedom are relative, rather than absolute concepts in the competitive higher education environment.

Secondary Questions: To what extent could public HEIs be autonomous? What is the role and the relationship of the Maltese government in the governance and management of higher education?

Proposition 6: The state is no longer the only key external stakeholder to public HEIs; a multitude of stakeholders are involved.

Secondary Questions: What changes took place to move from a state-institutional relationship towards a dynamic model that involves numerous stakeholders? How is this transition influencing the institutional governance and management as well as better performance?

Proposition 7: Academics and managerial staff have distinct and separate roles, but participate in an extensive team effort in order to run a complex governing structure.

Secondary Question: In what ways can academics and management staff work together, if at all possible, in managing and governing a public higher education institution?

Proposition 8: Higher education arrangements reinforce the organisational aspect of an institution but may lead to administrative burden, duplication of effort and fragmentation.

Secondary Question: To what extent are governing arrangements responding to the exigencies of higher education realities? Are the governing arrangements inhibiting the managerial aspect of institutions?

Proposition 9: The management of resources in public HEIs is becoming a crucial notion towards an evidence-based governing approach.

Secondary Question: How is it possible to render the management of resources into an evidence-based performance exercise? How will this influence the flexibility, creativity of public HEIs and academic freedom?

Proposition 10: Governance and management should be considered as closely related in the process of achieving institutional and national strategic objectives rather than being considered as separate pillars.

Secondary Question: How could public HEIs and national governments design higher education strategies and formulate governing operational strategies to achieve the strategic objectives?

2.2 Considerations of an internal researcher within one of the governing institutions: mitigating bias and conflict of interest

Bonner and Tolhurst (2002), Mercer (2007), Unluer (2012) and other scholars dealt with the advantages and dilemmas arising from the insularity of an internal researcher. Bonner and Tolhurst (2002) focused on the salient advantages of an internal researcher while Unluer (2012) presented a comprehensive overview of the advantages and disadvantages of researching from the inside by presenting a procedural narrative of how internal research is best conducted. Mercer (2007: 5) analysed the pros and cons of 'insiderness' in the perspective of what he described as the double-edged sword that is pivoted on two opposing forces: the outsider's neutral perspective which advocates the view that only the outsider can achieve an objective account of the study undertaken and the internal knowledgeable perspective which provides the capacity to understand the complexities of groups, cultures and societies.

This study presents this 'double-edged sword' dimension given that the research is conducted by someone who works in a senior management position at the University of Malta within the Office of the Registrar. As the author has worked for sixteen years within the University, considerable knowledge has been acquired in understanding its structures, processes and mechanisms. The author worked within two faculties: Education and the Built Environment, and two central management units: the Academic Programmes Quality and Resources Unit (APQRU) and the Office of the Registrar. It is important to consider that the author's role within the University has changed throughout the course of researching and writing this thesis. The author moved from a middle-management position to the top ranks of the University administration. This career path has naturally coloured his observation and interpretation of the institution: the author started researching the thesis as it were as a 'crew member', rising to the position of 'ship's captain' as the study drew to a close, acquiring invaluable experience in the process. More importantly, my career has alerted me to the variety of 'insider perspectives' as well as permitting the maturation of initial perceptions of the organisation, its mission, processes, leadership and stakeholders. While experience confirms some early impressions, it not infrequently dismisses or modifies them, by showing them to be false or partial.

A significant consideration is that not all research took place within the University of Malta. The researcher is external to MCAST, NCFHE and other key external stakeholders. Independent sources, outlined in Section 2.6, strike a balance between the useful knowledge of an internal researcher of one of institution, the University of Malta, and the thorough investigation, from an external perspective, of the remaining institutional framework of Malta's higher education. The ultimate research product is therefore based on both internal and external perspectives. It provides a blend of the investigated known and unknown, a moderate risk of bias weighed against the depth of the researcher's internal knowledge.

2.2.1 Advantages of being an internal researcher

Scholarly literature (Coghlan, 2003; Rounney, 2005; Tedlock, 2000) identifies advantages that are associated with an insider knowledge: understanding of the local scenario and power structures, and facilitating access to documents. These advantages are particularly important in a broad-study involving a multitude of documents and participants.

Three main advantages were identified by Bonner and Tolhurst (2002) when being an insider. First, the greater understanding of the institutional culture and surroundings being studied. This advantage is also emphasised by Farrugia, (2009: 278) who argues that the main strength and advantage of an internal researcher is the familiarity with the subject to be investigated which in turn helps to define better the research question and to design an appropriate research methodology. This strength is particularly important when conducting research in higher education institutions that are governed and managed through complex arrangements as is the case especially with UM. As Smyth & Holian (2008) emphasise, insider researchers know the ins and outs of the institution, including its internal politics, something which an outsider needs more time to understand. The author's experience was beneficial to understand the sub-cultures present in different units of the University, as well as temper of diverse academic disciplines. This was crucial when considering the multi-dimensional approach adopted in the study. Data collection and analysis was one of the main challenges in the research methodology. The adopted insider knowledge proved its worth in accessing data from the right networks, compiling the data and asking the right questions to specialised institutions such as NCFHE and NSO. The data gathered had to be analysed in terms of

state-institutional relationship and compared with that elicited through observation sessions, a task requiring intimate knowledge of the higher education sector as well as of institutional dynamics.

The second and third advantages, as expressed by Unluer (2012) revolve around the unaltering of the social interaction natural flow and the capacity of judging what requires further clarification to portray a truthful picture of the situation. The unaltering of the natural social interaction was ascertained through the use of observation sessions, which helped immensely in the author's intended strategy to keep research embedded in its natural environment. UM participants felt more at ease having an insider researching the subject. At MCAST there was less ease at the presence of an external researcher. In fact, the number of times that the researcher had to withdraw from MCAST's Board of Governors meetings, although not much, exceeded by far the number of withdrawals from UM's Senate and Council meetings: four times at MCAST versus one time only at UM.

As a general insight, the insider knowledge was essential to complete the picture emerging from direct observation, by digging deeper when data or sufficient explanations were missing

2.2.2 Being an internal researcher: the challenge of insularity

Being an insider does not only confer the advantage of intimate knowledge of the organisation. The insider also faces the challenge of insularity or parochialism.

Firstly, it is necessary to establish at an early stage the positioning and the understanding of the researcher especially in relation to role duality, as highlighted by Burke & Kirton (2006), Hermann (1989) and Unluer (2012). For a valid interpretation of both the theoretical framework and the data collected, the research design clarifies the researcher's position within UM for any potential bias (Jones, 2014). In this study, although the researcher's job responsibilities are not directly related to the research themes, the risk of bias arises from the author's triple role as administrator, academic and doctoral candidate. However, the course of the study, the researcher's official position was limited to registrar's work that involves keeping students' records up-to-date, ensuring compliance with course regulations, administering examinations and designing lecture timetables. This study

encompasses a much wider agenda: it involves a national perspective while the issues analysed within UM involve offices and units, that for most part, the researcher has no formal role in.

The second issue was complying with the elaborate research ethics of both UM and MCAST. At both institutions the author was subject to ethical scrutiny. At UM, the study's methodology was approved by Faculty Research Ethics Committee and the University's Research Ethics Committee, therefore having institutional approval at the application and research stages. To mitigate any potential conflict or abuse of power in the retrieval of data, the author had to sign a confidentiality agreement in order to attend University Council meetings. Ethical and confidentiality documents are detailed in Appendix VII.

The third issue concerned risk of bias analysis and interpretation of data, a theme emphasised by Becker et al., (2005) and Smyth & Holian (2008). The danger of bias that can emanate from the insider perspective was eliminated through the use of multiple sources under the umbrella of a mixed methods approach. The primary data that was extracted through the observation sessions was set off against the statistical and documentary data. Moreover, the strategic spheres selected following the observation sessions were extracted from an NVivo™ exercise that classified thousands of data entries.

NVivo™ is a software application that simplifies qualitative data analysis. This software was applied to data gathered from the observation sessions, data coding, cross-analysis of data and the eventual code categorisation that was crucial to identify the main strategic issues specified in Chapters 8 and 9.

Extensive documentary evidence was collected; it provides the foundational data of most chapters as follows:

- i. a historical background of the contextual change with statistics elicited from NCFHE and NSO reports (Chapter 3);
- ii. the evolution of state-institutional relationship (Chapter 4);
- iii. the transformation of units and bodies as published in the institutional annual reports (Chapter 5), the change in the job designs (Chapter 6), and

- iv. the background analysis in relation to the national and institutional strategic processes (Chapters 7,8 and 9).

The facts elicited from these documents provided further evidence that could not be altered by the author.

2.3 Contextualising the research study: what prompted the importance of governance and management in Malta's higher education?

Before outlining the research design, it is important to present the context. Contextualisation of the research study is fundamental in order to understand better the research domain, its significance and contribution to the academic literature. It is important that the reader is aware and conversant with the background information in order to understand and appreciate the topic that is being investigated.

Andersen & Risor (2014: 8) highlight the importance of contextualisation by arguing that:

The quality of qualitative research relies on how knowledge is constructed in the process of generating empirical materialand involves a process of exploring the phenomena under study in its social and cultural context.

The context of this study is based on two main phenomena namely: massification and globalisation. Both phenomena accentuated the importance of governance and management and became a central priority for higher education institutions. Massification changed the nature of the clientele and the numbers in a drastic manner, while globalisation accelerated the intensity of competition. Such a context provided a substantial impetus to the private sector vis-à-vis the market share of Malta's public higher education institutions.

Both phenomena are studied in detail through document analysis and data extracted from secondary sources such as NSO, NCFHE and higher education institutions' publications. The analysis provides a historical account of the higher education strategies as from 2004 until the year 2020 and the evolution of higher education from a governing perspective after the turn of the new millennium.

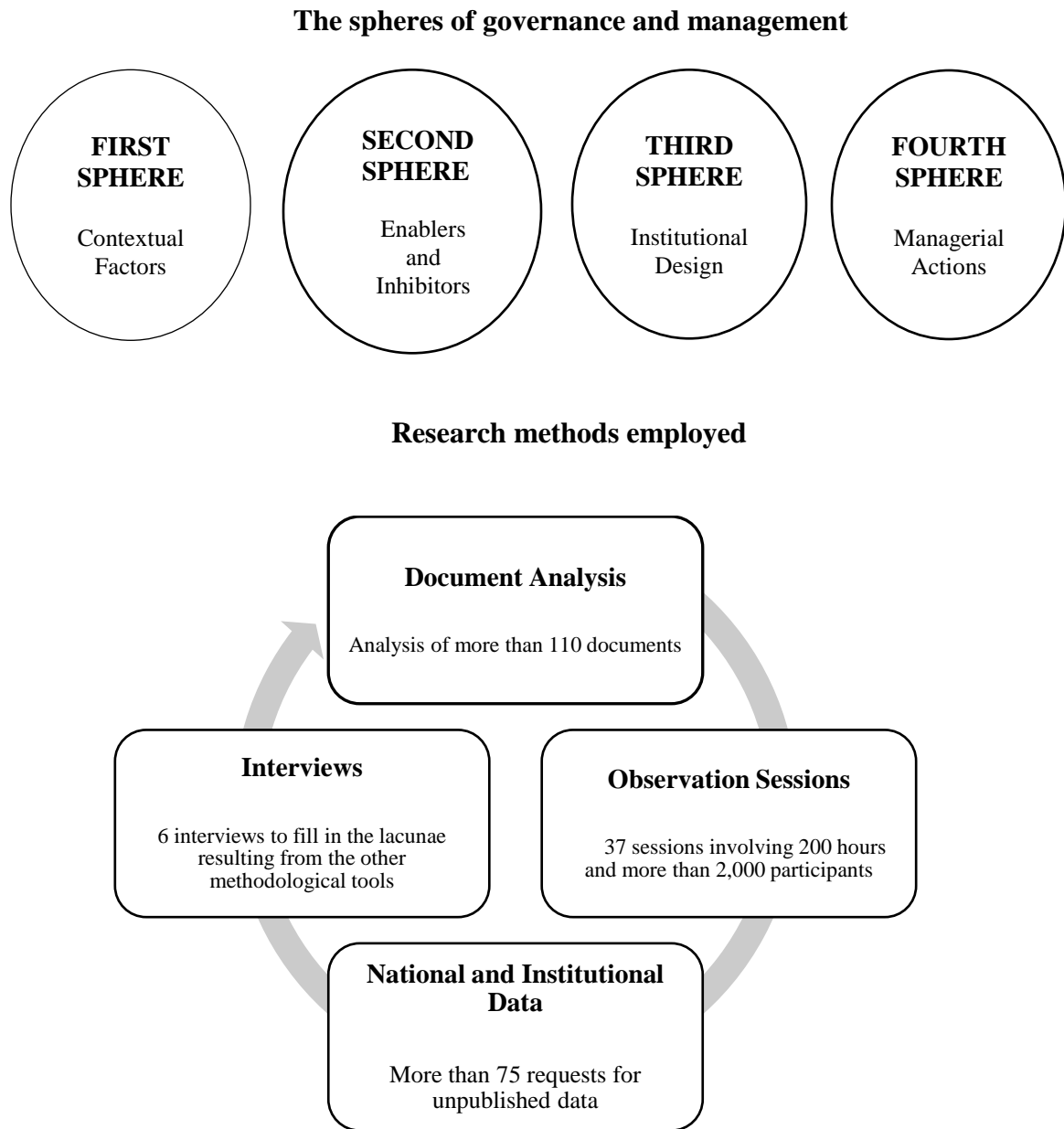
Considering this documentation, the author investigates the contribution of Malta's government towards higher education and the extent of the transition from government to governance. As discussed in section 2.2., the idea of governance embraces the notion of involving a number of external players. Tight control from the central government on HEIs is now being phased out creating more room for institutional autonomy in their decision-making processes and in relationships with other entities. By considering this perspective, this study analyses Huisman's (2010:4) notion that the current modes of governance in higher education are mixtures of old and new approaches and governments are still reluctant to let go of public institutions. This notion, if true, essentially means that the steering away from old to new mechanisms is still a work-in-progress and it poses an interesting contextualising factor to consider when studying the phenomena of massification and globalisation. Taking Malta, as an example, the Maltese Government plays a pivotal role especially in the massification process, while the state, through the NCFHE, has a crucial role in providing a regulatory framework for the licensing of international higher education institutions.

2.4 Research Strategy: a framework presenting a holistic and a dynamic approach

As illustrated in Figure 2.1, the research outcome is the design of a governance and management framework that revolves around four inter-connected spheres. The first sphere contains the contextual factors that emanate from massification and globalisation. The second sphere revolves around a set of governance and managerial enablers or inhibitors that influence the attainment of KPIs. The third sphere presents the notion of institutional design that works in tandem with the managerial actions, the fourth sphere works towards achieving the set objectives and indicators. This framework highlights the stance that governance and management cannot be analysed in a vacuum but as a means towards an end.

Governance and management are tools and a mechanism for improving organisational performance and to achieve important measurable objectives that are gathered into a comprehensive national KPIs framework for Malta. The idea of portraying a holistic approach and a framework is presented by the UK Leadership Foundation for Higher Education (2010). It does not only highlight the governing enablers and inhibitors, which in this model are being portrayed as dynamic contributing factors but analyses the outcomes of an effective governing engine.

Figure 2.1: The governance and management of Malta's higher education: a methodological framework



Author: Colin Borg (2020)

The framework postulates the importance of achieving measurable results by adopting a comprehensive system of evidence-based management, specifically through the design of Key Performance Indicators (KPIs). These KPIs can only be achievable following an effective

functioning of the governing and managerial enablers. Examples of KPIs are quantifiable indicators that are mainly attributable to the institutional competitiveness such as institutional funding, student-staff ratios, staff turnover, number of research initiatives and publications, number of projects and EU funding absorption rates. There are also indicators related to institutional processes such as the speed of decision-making, central-local relations and the possibility of adopting an idea stemming from a faculty or an institute as part of the institutional strategy. These indicators are not easily quantifiable and are at time impossible to measure.

2.5 Primary and secondary sources to investigate the management and governance of Malta's higher education

To capture the dynamism of this field and to eliminate the possibility of providing a purely chronological and passive approach as well as to cope with a vast and complex study, a holistic research strategy was designed. Burduşel and Camelia (2011) highlight the stance that higher education institutions are 'open systems and dynamic organisations' that are interconnected with society and its components such as the general public, students, parents and stakeholders. This brings about the importance of adopting a holistic approach by considering the organisational culture, leadership, management strategies and higher education institutions' (or institution's) vision and mission.

This holistic methodological study gives the author the possibility of studying dynamic systems that are complex and which require simultaneous attention to a series of inter-related parts. Such a research design also entails that the analysis undertaken is more than a sum approach or a study of static elements.

Considering the extensive nature of this study and the 'practice-driven' approach combined with a number of theoretical perspectives that are not entirely based only on scientific reasoning but also a humanistic element, the ideal research methodology to be adopted is the mixed methods approach. This research design is essentially pragmatist and it embraces both the qualitative and quantitative perspectives (Cohen, 2011).

A hybrid mixed method approach is the most adaptable given that the research question, specified in section 2.3, is in its nature extensive and involves a number of secondary questions, and considering that the topic of higher education governance and management is a vast research area as well as being largely unexplored. The mixed method approach is based on complex studies that require both numerical and rational detailed humanistic explanations (Iloh & Tierney, 2014) to a number of sub-questions and hypotheses that are comprehensive and inter-linked in nature (Cohen, 2011). The author collected primary data at the two public HEIs: UM and MCAST, and other international fora that involve the European Universities Association (EUA).

The adopted perspective does not rest exclusively on the collection of primary data through observations. If it was the case, it would have limited substantially the findings of this study and the collection of data from other sources. It also includes: (i) a document analysis of state authorities reports, internal and published UM and MCAST documents and EU reports; (ii) statistical secondary data emanating from the institutions, which was never published; and (iii) interviews with academics in order to corroborate the data further.

Three different techniques are used to collect primary sources to corroborate secondary data including document analysis, observation and interviews.

2.5.1 Observation and participant observation

The second primary source of data collected by the author is through observation and participant observation. Given the time spent by the author in institutions and state agencies, the study is not merely an observation-based approach. Observation was substantiated through document analysis, institutional data and interviews.

The use of this primary research approach was required for several reasons: first, the author was in a position to elicit a valid and a holistic picture of a complex and vast subject: the governance and management of higher education in Malta. Second, the study required the collection of data that would permit a dynamic representation of the subject matter. Observation over a period of six years between 2014 and 2020 made this task possible. The author's approach was to conduct the literature

review in parallel with studying documents, requesting institutional data and being present at observation sessions. Indeed, the thesis is presented through a developed thematic approach.

Third, observed participants were not pre-set with questions and therefore the setting was not imposed. Participants were left in their usual work environment: at Senate, Council and Board of Governors high-level meetings. The author was also present in international meetings held by the European Universities Association (EUA). The author participated in a total of 37 observation sessions that involved around 200 hours. The details of the observation sessions are outlined in *Appendix II* to this thesis. The number of participants in high-level meetings and the strategic exercises held at both UM and MCAST exceeded the 2,000 mark. In most of observation strategic sessions attended, there were more than 100 participants. There were no repeat participants given that institutions chosen the officers who were invited to attend for every meeting. This shows the extensive and broad coverage of participants who were included in the analysis of the data collected. Repeat participants were in Senate, Council and Board of Governors meetings.

2.5.2 Document Analysis

The second major first source of the research design and of collecting primary data is through document analysis. The author analysed more than 110 documents as part of a holistic review. The list of documents is detailed in Appendix VII. Document analysis is a systematic evaluation tool that enables the researcher to review documents in order to supplement primary data. Bowen (2009: 28) maintains that institutional documents are an important feature to sustain a mixed method approach and to corroborate data derived from primary sources, whether qualitative or quantitative data. Documentation is indeed a way to verify findings and to confirm the evidence gathered on the ground. If the information derived from documents is different from the primary data, it would prompt an investigation and a deeper analysis of the conflicting data.

Document analysis takes many forms and ranges from published external sources, unpublished external documents, internal reports consumed by the major stakeholders and minutes taken at high-level institutional meetings. This study analyses strategic national documents published by the Ministry for Education that provide a policy direction in the higher education sector. Other documents published by the NCFHE such as Annual Reports, Graduate Tracer Studies and

publications that when studied in collaboration with the documents published by the Ministry for Education and the National Statistics Office (NSO) provide a means to track the changes and developments in Malta's higher education from the turn of the new millennium in a systematic analysis. Such a systematic and background analysis provides interesting patterns not only through a historical approach but also by forecasting patterns for future consumption. Data is compared when analysing the number of students attending public higher education institutions versus private institutions. Ratios are produced to portray a picture of the changes in Malta's higher education sections and the resulting consequences on public institutions. Other types of data derived from documents are the number of graduates and the funding levels throughout the years.

Published documents by MCAST and UM that include prospectuses, annual reports, strategic visions and even booklets printed for occasional ceremonies such as graduations and the installation of a new Rector, complement the other information and data at hand. The booklet published on the occasion of Professor Vella's installation as new Rector gives not only a historical background but also numerical information of the present size of the University. Mills, Bonner and Francis (2006) refer to such non-technical literature as another source for document analysis. Non-technical documents may also include committee or board minutes, leaflets, advertisements and manuals drawn up for guidance purposes. As an example, information derived from MCAST's Board of Governors as well as UM's Council, Senate and the Programme Validation Committee (PVC) gives an indication of the stakeholder involvement when courses are designed before being offered to prospective students.

Internal documents that were never published also provide another source for comparability purposes. Institutional quality audit reports are classical examples as these documents offer a panoramic view of an institution. Institutional charts, that shed light on the structural arrangements and the internal organisation of Malta's HEIs, were extracted from such a source.

In addition to institutional and national documents, document analysis in this research assumes a multi-level perspective through the reviewing of data gathered by the EU and U-Multirank survey. This makes it possible to review local higher education institutions against an international platform.

Given the extensive availability of different documents that are found in libraries, archives, higher education institutional offices and websites, the greatest challenge is to ensure the reliability of the source and that the information relayed is synchronised within the argumentative posture of the research study (Cohen, 2011).

2.5.3 Interviews

Another source of primary data were 6 interviews with academics through purposive sampling. This type of sampling is used in order to provide greater depth to the study and to have access to:

‘knowledgeable people’ who have in-depth knowledge about particular issues, maybe by virtue of their professional role, power, access to networks, expertise of experience (quoted in Cohen, 2011: 157).

The aim of conducting interviews over and above document analysis and observations was to fill in any lacunae resulting from the first two methods used, specifically with regard to the performance management tools that are analysed in Chapter 6. The questions asked and the list of interviews are indicated in Appendix III. The list of questions put to academics and lay members are presented in Appendices IV and V respectively.

The observation sessions and interviews covered five main categories of officials:

The first category includes the HEIs’ key decision-makers and strategists, which participants can contribute significant expertise to the issues investigated (Cohen, 2011). At UM, the focus group consists of the Rector, Pro-Rectors, Registrar, Secretary, Senior Executives, the Director of Finance, the Director of the International Office, Deputy Director in charge of Project Support, Head of the Academic Programmes Quality and Resources Unit (APQRU), the Director for Human Resources Development and Management and the Chief Executive Officer of the University’s Research Trust. At MCAST, the group consists of the President of the Governing Board, the Principal and CEO, the Deputy Principals in charge of the following portfolios: first, academic operations and student services; second, curriculum development, quality assurance, research and innovation and third, Corporate Services.

The second category consists of the UM's Deans of the fourteen University faculties and Directors of Centres and Institutes. At MCAST the same approach was followed with the six Institute Directors for Engineering and Transport, Business Management and Commerce, Information and Communication Technology, Creative Arts, Applied Sciences and Community Services. Academic Heads are the ideal group to assess collegiality matters, academic freedom, research issues, the challenge of striking the right balance between academic duties and administrative work, the challenge of leading faculties or institutes and the extent of adherence to or deviance from the HEI rules and processes.

The third category focuses on the administrative staff working in faculties and institutes at both UM and MCAST. The main focus of these interviews was the management of the particular exigencies of the faculty/institute while at the same following the administrative procedures as advised by the centre.

The fourth category includes the student associations. Students are, after all, the most important key player in HEIs since they are the clients of a supposedly well-functioning managerial and governing framework. It is useless to have academics and managerial staff satisfied with the organisational dynamics if students do not feel that the HEI is really working to meet their expectations and ensuring that their voyage has been a fruitful experience.

The fifth category involves lay members who represent the principal external stakeholders on the governing bodies.

2.5.4 Published and Unpublished secondary data

Most of the information extracted from an extensive review of document analysis is classified as secondary sources. Secondary sources, specifically secondary data that is found through several higher education publications, is fundamental in a comprehensive and vast research study. Boslaugh (2007) sustains that secondary data, in its broadest sense, can be regarded as data collected by someone else other than the primary researcher.

The secondary data that is analysed for the purpose of this Ph.D. study over and above the collected primary data can be classified into two categories. First, unpublished secondary data that is either already collected by higher education institutions under study: MCAST and UM and by national agencies such as NSO, NCFHE and PPCD. Second, data that is found in the database of the institutions or agencies under study but is never used. The author requested such data more than 75 times given the large volume of data gathered.

Most of the secondary data that provides a rich and strong database for further analysis is unpublished. Examples of institutional data are the participation rates for both students and staff elections, the number of collaborative arrangements and the number of department or units within an institution. National data varies from number of students, number of students per region, state funding, EU funding and employment.

Despite the availability of rich secondary data in certain aspects of the Ph.D. study especially with regards to the contextualisation of Malta's higher education sector, data gaps exist in all aspects but is more evident in areas such as structures, staff and performance indicators as well as stakeholder involvement. An imbalance of focus exists between students' data and governing statistics.

2.6 The presentation of the study: ensuring a cohesive, unified and reliable approach

In order to ensure reliability and validity of the study, the author relied on the three main instruments reviewed in the previous section. The next challenge was the manner in which the extensive primary and secondary data collected was to be presented.

The first step was the blending of the literature review with the primary and secondary data. Such a blend ensured that the findings are not presented in a fragmented manner. It strengthened the perspective of adopting grounded theory as a product of the qualitative approach. Grounded theory is essentially a qualitative research method based on the collection of data (Khan, 2014). The study did not contribute to a new theory but has substantially discovered the importance of governance and management in achieving higher education performance indicators, a sphere that has been heavily under-researched and, in many instances, completely ignored. Models of higher education governance would need to include this crucial variable.

The second step was the adoption of a thematic analysis not only in the concluding chapters but throughout all the chapters. To organise the extensive primary data collected from hundreds of participants, who were present in the observation meetings, adopting a thematic analysis was considered to be the more sensible decision. The identification, analysis and reporting of patterns (Braun & Clarke, 2006) was coded in accordance to each observation meeting and was subsequently presented into themes.

2.7 Conclusion

The research design presented a challenge of covering an extensive framework of governance and managerial processes that are not easy to study holistically and within a limited amount of allowable word-count. The other limitation was the differences that exist between the two main public Maltese HEIs: a vocationally oriented and practice-based MCAST and an academic oriented University. The differences were not only in the nomenclature and in their mission but also in the operational and the *modus operandi* of how the two institutions are governed.

The mixed methodology research design provided an opportunity to assess and to build a holistic framework which is original in its nature since it examines the inter-relationship between governance and management vis-à-vis KPIs. It poses the argument that governance and management are not and end in themselves but are a means to achieve something: to achieve important targets on an institutional and national level. The other original aspect is the comparison of institutions that have different strategic missions and personalities and the study of how a blend of differences could ultimately result in common higher education objectives.

CHAPTER 3

THE CONTEXT OF HIGHER EDUCATION IN MALTA: THE RISE OF GOVERNANCE, MANAGEMENT AND PERFORMANCE

3.1 Two leading phenomena: massification and globalisation

The main questions that this chapter seeks to explore are: What contextual factors and conditions are contributing to the present challenging higher education environment? How are these contextual factors shaping the governing and managerial engine of HEIs? How does context influence performance-oriented HEIs and how might it be interlinked to performance?

To address these questions, the chapter examines the changing context of higher education in Malta in the last fifteen years from a legislative, economic and political perspective. Complexity is a key theme in the analysis of the higher education context. The first section analyses the changing context while the second and third sections investigate two phenomena that are bringing about change: massification and globalisation. The fourth section analyses the changing context and its influence on governance, management and performance of HEIs.

HEIs across the globe, not least in Europe and Malta, are changing rapidly in an unprecedented manner. Massification and globalisation are linked factors that led to a ‘revolution’ in the way institutions are governed and managed. Although ‘revolution’ seems an exaggerated term, statistics show the extent of change that has happened in the second half of the twentieth century (Altbach et al., 2009).

The argument underlying this chapter is set out in Scott (2015). In essence, it holds that, despite the focus of contemporary literature on student learning, organisational structures, funding regimes and managerialism, there is little research that investigates deeply what really happened in higher education and how contextual changes influenced the way HEIs are being governed and managed. Zgaga et al. (2015) argues that certain factors have indeed been investigated and identified as higher education contextual

l factors, but other themes are still obscure and therefore require a thorough analysis or a clearer identification. The aim of this chapter is to examine closely what has happened in Malta's higher education through a comparative analysis and to probe four under-researched and interconnected factors: contextual change, governance, management and performance.

Globalisation was the first factor promoting a changing higher education scenario. As outlined in the introductory chapter, the post-Cold war era, the collapse of the Soviet Union and the further integration of the the European Union in the last part of the eighties decade has influenced higher education. Higher education is no longer dominated by monopolistic structures but is becoming increasingly competitive, domestically and internationally. This phenomenon has been felt in Malta's higher education system at a later stage, especially after Malta's accession to the EU in 2004. The result was that public HEIs are no longer the sole players but compete with private institutions that are enrolling an increasing number of students and have now become, collectively, another major player in this sector. The advent of online courses and distance learning courses has accelerated the process of globalisation and by time this is becoming a characteristic of most HEIs. A more detailed account of how globalisation affected higher education is outlined in the next section of this chapter.

The second major factor involves the significant growth of student numbers that occurred in Europe, North America and other parts of the world following the Second World War. Zgaga (2015) attributes the massification of higher education around the globe to two major causes. The first was the economic development that resulted in growing demand for highly skilled and knowledgeable workers. The first catalyst of massification led to the second, namely, social mobility, which means that students coming from the working class as well as rural areas started to enrol in higher education institutions. Both causes were accentuated by the heavy investment in institutional campuses, laboratories and research facilities which were accentuated by the political decisions of national governments that were intended to increase substantially the percentage of citizens attending higher education courses.

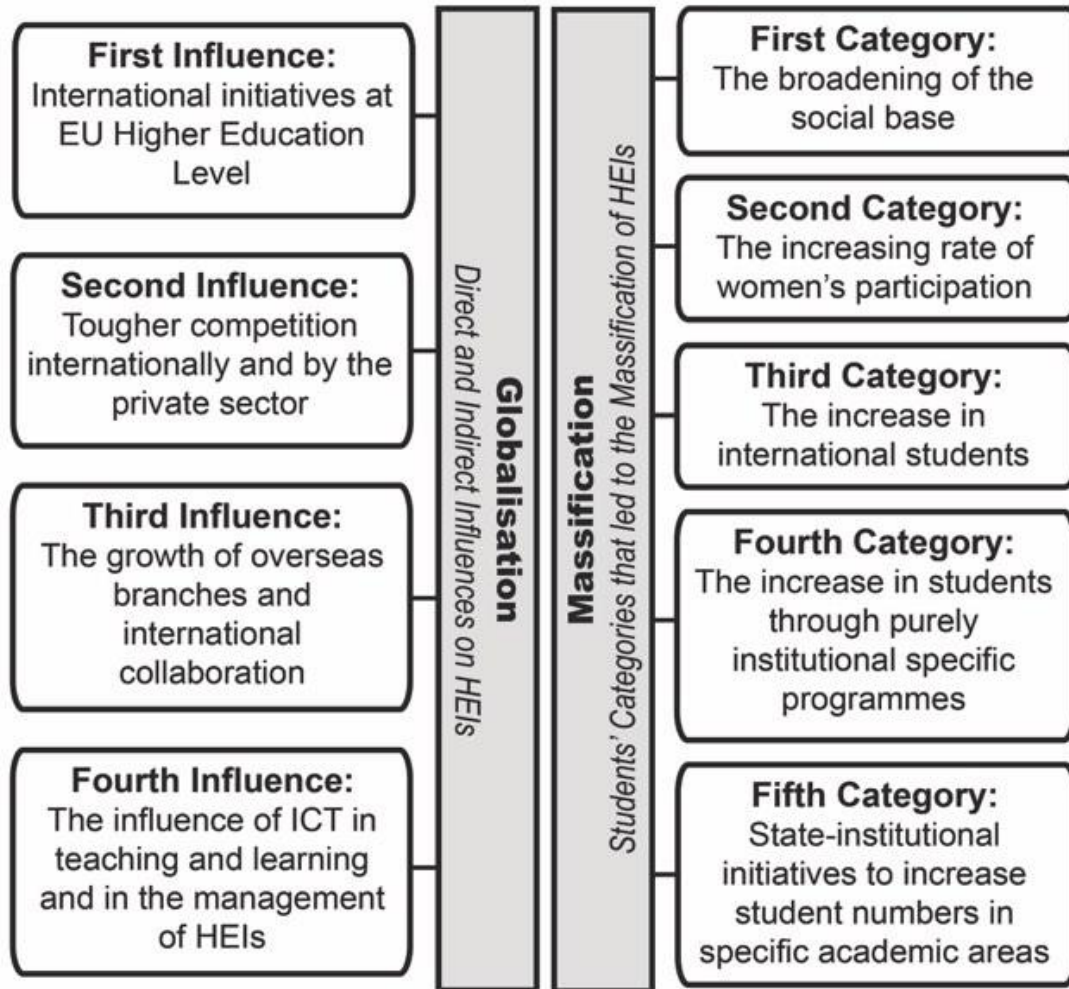
Global developments are reflected in Malta's experience over the last thirty years. In the final years of the 1980's, the Maltese government's vision was to increase the number of students at tertiary level significantly. Higher education has now become accessible to a wider audience of the Maltese

population. This inevitably led to the massification of UM as the highest academic institution on the island, and to the creation and eventual massification of MCAST, the main vocational education institution in Malta. Massification created significant new stresses for governing structures and management styles, and altered the way that institutions are governed and managed.

Although Malta's higher education enrolment rates are still comparatively low, higher education is not accessible only to the few intellectuals, well-off, high-status citizens. Malta's higher education became a way to move up the social ladder and to access a wide spectrum of professional careers. This development entailed that the clientele of Malta's institutions has changed drastically, drawing students from all around Malta. Social mobility can be deemed as only one factor of massification. Other factors and scenarios that are discussed in greater detail in the third section, have also led to massification of Malta's higher education.

Both massification and globalisation compounded with a series of policy and legislative decisions and institutional initiatives have dramatically changed the scene of Malta's higher education. Higher education became an extensive and complex policy area determined by numerous variables that extends from the EU influence, the state-institutional relationship, networks with the external stakeholders, the multiplication of structures, the use of information technology and the inclusion of performance targets. Presenting a complex equation of scenarios and factors coherently proved to be a challenging task, as can be observed in Figure 3.1, which provides a summary of the main drivers and contributors of change.

Figure 3.1 - The Context of Malta's Public Higher Education
The two main drivers for change



Author: Colin Borg (2020)

3.2 Research methods employed in this chapter

Two principal research methods are employed in this chapter. The first involves the analysis of documents and data published in academic journals, international and local reports. Statistics published by the National Commission for Further and Higher Education (NCFHE) and the National Statistics Office (NSO) were the main source of local Maltese statistics. The second method involves national and institutional data that was specifically requested by the author for this study and that

was never published before. NCFHE, UM and MCAST were asked to provide data in order to present a comparative analysis by comparing local data with what has been published internationally and to substantiate the arguments that are presented regarding the Maltese higher education context. In all instances, headcount data is used. Headcount data strengthens the credibility of the statistics presented and of the analysis provided throughout this chapter.

The author organised three meetings with UM, MCAST and NCFHE in order to explain clearly the details of the data requested. Data prior to 2008 was difficult to acquire. This fact is itself indicative of the managerial transformation of HEIs through the use of ICT tools. Almost no data is available prior to 200., In contrast, detailed data can be accessed after that date. Data availability is a fundamental aspect of moving towards a performance oriented higher education system.

3.3 The globalisation effect: erosion of state power and weakening of public HEIs' market share?

The term 'globalisation' is becoming more frequently used than 'internationalisation' since it not only represents the blurring of boundaries between nations but is also a direct reflection of the worldwide economic developments as well as international experiences that have eroded the nation state powers in determining higher education policies (Guri-Rosenblit et al., 2007). Worldwide university rankings and the Bologna Process are examples of decisions taken at an international level that influence what has happened within state territory and substantially limit the discretion of governments and institutions in determining policy. University rankings provide students and stakeholders with quantifiable information when comparing universities. Rankings have been a driving element to place higher education institutions on the global map, which is essential in order to attract foreign fee-paying students especially when considering the harsh competitive environment. The Bologna Process was essential in the development of exchange mechanisms such as ERASMUS programmes and the introduction of the European Credit Transfer and Accumulation System (ECTS) (European Parliament, 2015). The Bologna Declaration, signed in 1999, marshalled higher education into a more harmonised system on a European scale and diluted severely the differences between countries, especially in terms of course cycles, workload, duration and the information that is provided to students and stakeholders. It was ultimately a successful tool to

enhance the attractiveness of higher education and to provide more opportunities for mobility to students.

Around the world, changes in the context of higher education arising from globalisation led to another major development, that of the significant growth of private higher education institutions (Altbach, 2016). Malta's higher education is a reflection of this situation, considering that, despite the evident dominant position of the University of Malta, private institutions are on the increase.

The history of Malta's higher education goes back to the sixteenth century when the Collegium Melitense was set up on 12 November 1592 (www.um.edu.mt/about/um/history). The Collegium Melitense later evolved into the only national university in Malta, entrusted with higher education in a wide span of academic disciplines required for economic and social development. With a history of 430 years and 83 Rectors, the University of Malta has a rich tradition (University of Malta, 2017).

MCAST, contrary to the UM, is a relatively new vocationally oriented college. MCAST reopened its doors in September 2001 and was transformed from a Polytechnic, as it was known in the 1970s, into a vocational college offering a wide spectrum of courses that are not necessarily offered by a more academic-centred institution such as UM. Consequently, a number of vocational colleges such as Mikelang Sapiano Technical Institute, the Umberto Calosso Trade School, the Carmen Carbonaro School of Hairdressing and Beauty Therapy, the Guzè Micallef College of Agriculture, the Pre-School Education Centre and the Mother Teresa College (Health Care) were incorporated within MCAST

Table 3.1: Number of HEIs: public versus private

Academic Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of licensed HEIs	31	64	59	71	80	84	84
Total private HEIs	31	55	54	65	73	75	76

Author: Colin Borg (2020) – Data provided from NCHFE

The idea of having higher education exclusively offered by public institutions is now seriously challenged. Table 3.1 reveals that the number of private institutions more than doubled, from 31 to 76, over the span of 7 years. The significant increase in private HEIs is a relatively recent development since traditionally Malta’s higher education has been predominantly reliant on the UM. The increase in private HEIs is paralleled by growth in the number of private sector students. When compared to other small states, Malta has quite a large number of licensed HEIs. Cyprus, Iceland and Luxembourg have only 8, 7 and 6 HEIs respectively. Malta’s ratio of private versus public institutions is comparable to Luxembourg’s with 5 private versus 1 public HEIs, but Cyprus and Iceland present a different scenario with 3 public versus 5 private HEIs and 4 public versus 3 private HEIs respectively. Therefore, Cyprus and Iceland have a more balanced situation (European Commission, 2020).

Table 3.2: Share of Higher Education Students Population in terms of Private and Public Sector

Year	2008	2009	2010	2011	2012	2013	2014	2015
Public Sector Students	9,508	9,616	9,809	10,405	12,403	12,981	12,440	13,187
Private Sector Students	239	540	928	1,309	2,315	3,697	2,598	2,833
Total Student Population	9,747	10,156	10,737	11,714	14,718	16,678	15,038	16,020
Year	2016	2017	2018					
Public Sector Students	13,316	13,235	14,371					
Private Sector Students	2,115	4,996	5,568					
Total Student Population	15,431	18,201	19,939					

Author: Colin Borg (2020) - Data provided from NCHFE and extracted from the publication entitled: ‘Further and Higher Education Statistics 2013/2014’

Table 3.2 discloses that the private sector market share increased by more than 23 times in ten years, from 2008 to 2018. This indicates that the private sector is growing rapidly and, consequently, the public sector is experiencing tough competition from private higher education organisations. In fact, while the ratio of students in public and private organisations was 40:1 in 2008, the gap decreased significantly in 2018 to a ratio of 2.6:1. This development is consistent with what happened in the international arena where the growth of private higher education has been one of the most remarkable developments. In fact, Sursock (2015) estimates that 30% of today's global higher education is private. In Brazil, 71 % of the students attend private HEIs while in Russia and China the share of the private sector is 14% and 19.9% respectively (Altbach, 2016).

The change in the composition of Malta's student population has been accentuated by policy decisions. Therefore, Malta is a case where higher education is not only being influenced by globalising factors but also by the domestic political sphere. Legal notice 150 of 2015, which was introduced to inject greater internationalisation and pluralism into higher education, is a case in point. The Maltese government took a political decision to build a higher education sector with the aim of having a spill-over effect onto the economy. As part of this national strategy, a new American University of Malta (AUM) and the Barts Medical School were attracted to invest in Malta and Gozo respectively. The concern among many critics was that the new Legal Notice and the new policy direction of the Labour Government were indeed changing the parameters and foundations of higher education. This policy direction brought about fear of reducing the quality of Malta's higher education. The NCFHE explained that the main driving force behind the introduction of such changes was to give the possibility to universities to obtain a licence even if they do not offer a wide range of programmes. The requirements specify the need for universities to deliver programmes which consist of at least four qualifications at MQF levels 5 to 7 and provide evidence of capacity to offer doctoral degrees at Level 8 (NCFHE, 2015).

These shifts led public HEIs to adopt private management philosophies and to focus more on a performance-oriented approach. This paved the way for public HEIs to adopt a performance management philosophy which is a basis for an evidence-based management approach. Sursock's report (2015) on a European level questions whether the demarcation lines between private and public HEIs are being blurred since public HEIs are now competing directly with private HEIs in order to obtain funding originating from private industry, the EU or the government. The ultimate

effect is that public institutions have to revisit their governing and managerial practices in order to compete in such an arena.

Globalisation also led HEIs to open branches overseas, to engage more in inter-institutional partnerships while receiving and sending a significant number of students on exchange programmes. These collaborative arrangements were facilitated by information and communication technologies and in essence HEIs can now collaborate with each other instantaneously, irrespective of how distant they are (Altbach, 2009).

Information technologies did help HEIs to catch the attention of new cohorts of students who could not be targeted before the evolution in ICT. HEIs are nowadays able to provide courses through e-learning or hybrid learning. The result was that distance learning courses have become more popular, either by Universities developing a distance learning infrastructure or by setting up an entire e-University, as was the case in Estonia and Switzerland. In Iceland 17% of the students are following distance learning courses (Beerkens-Soo et al., 2009).

Table 3.3: Number of Online Courses and Study-units delivered by UM and MCAST

Academic Year	2007/8	2012/3	2016/7
Number of Online Courses - UM	15	33	40
Number of Online Courses - MCAST	0	0	0

Academic Year	2007/8	2012/3	2016/7
Number of Online Study-units - UM	33	77	102
Number of Online Study-units - MCAST	0	0	157

Author: Colin Borg (2020) - Data provided by the University of Malta, Office of the Registrar and by MCAST, Students` Admissions and Records Office

Table 3.3 shows that the number of online courses at UM is still very limited when considering that in Academic Year 2016/17 only 40 out of a total of 842 programmes were delivered online. In percentage terms, this signifies a minimal figure of 5%. A marginal percentage of 2% of all the study-units offered involve some form of online delivery. This is because out of a total of 5,000 study-units, only 102 have an online method of delivery. Notwithstanding the low figures, the

number of courses and study-units that include online teaching increased almost three-fold in a decade. Today's hectic and demanding lifestyle is requiring students to study virtually rather than attending higher education courses physically. Interestingly, although there are no online courses delivered at MCAST, the number of online study-units significantly exceeds that of UM. This is surprising when considering the relatively high number of study-units offered by UM. Online MCAST study-units are offered in various disciplines, including Community Services, Creative Arts, Engineering and ICT. Despite the relatively smaller number of Level 5 students, there is currently more focus on online teaching at MCAST than at UM.

In addition to the online delivery of academic teaching, ICT tools help HEIs to manage and organise better the institution's dynamics through comprehensive software packages. ICT tools are regarded as critical in the management of an overload of quantitative data. Data is key in assessing institutional performance in relation to performance targets.

UM's Tribal licensed software package called the Student Information Management System (SIMS) helped the institution immensely to incorporate all student information in one database. MCAST tried to implement such a system several times and issued a call for proposals in June 2017 but failed to implement it, given the lack of expertise and the overhead costs involved in acquiring reputable software. The implementation and maintenance of these software packages is a challenge, especially by ensuring that adequate HR staff is in charge of elaborate and complex ICT systems. ICT software packages are normally developed for larger settings, mainly for UK HEIs, and different working cultures. The transposition of these systems locally can be problematic when having smaller, personalised and more informal settings. The difficulty is multifaceted if other ICT software is involved, as it is at UM. While SIMS is the database used for students, the Administrative Information Management System (AIMS) is used to manage staff records. AIMS is licensed by another international organisation, Agresso Business World (ABW). The challenge is to amalgamate two different processes into a unified IT enterprise network. Having a unified IT Management System, that measures indicators such as teaching workload, timetabled hours and research activities is still a headache for the University.

3.4 Massification: analysing student numbers and changes in the composition of the student body

The second major driver of higher education change is massification. Globalisation, amongst other factors, has fuelled massification either by facilitating student and staff mobility (Tierney and Lanford, 2015), or through the influence of rankings when it comes to global recognition (Marginson, 2006), which factor has enticed HEIs to embark on a massification strategy that essentially resulted in increasing the number of students attending courses at tertiary level and in a broad mix of student segments. The massification of universities and the growing demand for higher education courses is regarded as a major development following the Second World War (Guri-Rosenblit et al., 2007). This phenomenon is attributed to several scenarios which led to either a specific governmental policy direction or the creation of new institutional structures, programmes, initiatives and managerial processes in response to changing circumstances.

The first category involves the broadening of the Maltese HEIs' social base by providing free education and a stipend to all undergraduate students. This development can be explained either by the economic progress and societal developments that moulded contemporary society or by multi-level policy actions steered by the EU and the national governments in order to increase the proportion of citizens who are studying and eventually graduate at higher education level.

Across Europe, the EU's and national governments' efforts resulted in a significant increase in the student population. In a study conducted by the European University Association (EUA), in 2015, among 451 higher education institutions, shows that 62% of the Universities experienced an increase in the number of students during the previous five years. The study analysed the three main cycles of higher education namely, bachelor, master and doctoral. Belgium, Denmark, Norway, Switzerland and Turkey experienced the largest growth, while Austria, France, Germany, the Russian Federation and Ukraine registered smaller increases. On the other hand, the Czech Republic, Lithuania, and Slovakia experienced a decrease (Cited in Sursock, 2015). All in all, Europe registered a remarkable increase in the student population in HEIs.

In Malta, policy decisions to abolish fees for higher education in 1974 and to provide stipends for all higher education students in 1979 meant that social groups that had never dreamt of making it to

the higher education sphere were now attending tertiary level courses. The broadening of the social base was accentuated in 1987 when the Ministry responsible for education, in collaboration with the University of Malta, abolished the 'numerus clausus' system that was in force for a decade. Such a system meant that only students who were ranked in top positions through a points system were accepted for a University course. It was instead decided that students be accepted for almost all University courses if in possession of the necessary academic qualifications. Several factors came into play in the decision to establish MCAST. They include the upward trend in the number of higher education students between 1987 and 2000, and the strategic choice to re-organise vocational institutes into a dedicated college. The application for membership of the European Union stimulated attempts at economic diversification, which in turn generated the demand for a broader range of higher education qualifications. MCAST provides a route for capable, highly-skilled students that are more oriented to vocational areas than academia.

Reports show that Malta's government's legislation compounded with societal changes led to a substantial increase in student numbers. In fact, the 'Higher Education Strategy for Malta' (published in 2014 within the framework of two other strategic documents namely: 'Further and Higher Education Strategy 2020' (NCHE, 2009) and the 'Framework for the Education Strategy for Malta 2015-2024') disclosed the increase in higher education graduates during the period 2002 until 2013 for the age bracket 30-34 year olds: from 9.3% in 2002 to 26.0% in the year 2013 (2014: 5).

The National Commission for Further and Higher Education (NCFHE) analysed the number of students in higher education in the twenty years preceding 2015 (2015: 25). The student population at tertiary level increased from 6,362 in the year 2000 to 15,038 in 2014, a more than two-fold increase. The number of higher education students in other small states is much higher: 44,446 in Cyprus and 19,238 in Iceland (European Commission, 2020). The higher education student population in Cyprus can be explained by a larger population size when compared to Malta: 840,407 citizens versus half a million citizens. However, Iceland has a much lower population, of only 356,991 (Eurostat, 2020).

Conversely, despite having a population less than Luxembourg's (which is 613,894), Malta's higher education population size is by far higher than Luxembourg which exceeds the 7,000 mark, with most of the students registered with the University of Luxembourg. The dominance of the University

of Luxembourg can be compared to UM, which in 2014, , as the country’s main public HEI, had a share of 76% (11,476) of the higher education student population (Malta Parliament, 2015). In 2017, UM student enrolment remained at the same level and was six times higher than the figure of 1,928 MCAST students that were studying at MQF level 5 and upwards.

Table 3.4: Total number of public higher education students by district

District /Academic Year	2017/18	2017/18	2018/19	2018/19
	Head Count	%	Head Count	%
Gozo & Comino	1,479	11.3%	1,695	11.9%
Northern	2,244	17%	2,414	16.9%
Northern Harbour	3,887	29.6%	4,088	28.7%
South Eastern	2,003	15.2%	2,233	15.6%
Southern Harbour	1,729	13.2%	1,941	13.6%
Western	1,801	13.7%	1,899	13.3%
Total	13,143	100%	14,270	100%

Author: Colin Borg (2020) – Data provided by NCHFE

Table 3.4 reveals that the upward trend in total student numbers is composed of students hailing from all districts around Malta and Gozo, a sign that higher education is now accessible to all those who would like to pursue further studies, regardless of geographical location, class and status. The social composition of the student population provides a panoramic view of the broad clientele that today’s public HEIs are experiencing. Although the Northern and Northern Harbour districts, which, generally speaking, represent the professional higher-status class of citizens, constitute 45.6% of the total higher education student population, 29.2% of public higher education students hail from the South Eastern and Southern Harbour districts which are normally associated with the working-class population.

Table 3.5: Number of graduates per institution

Higher Education Institution/Academic Year	2010/11	2011/12	2012/13	2013/14
University of Malta (MQF levels 5-8)	2,780	2,893	3,243	3,511
MCAST (MQF levels 5 and 6)	368	511	623	628
ITS (MQF level 5)	17	19	25	23

Author: Colin Borg (2020) - Data provided by NCHFE and extracted by author from data available at the University of Malta website and from the publication entitled: 'NCHFE Higher Education Statistics of 2012'. Updated data after 2013/14 is not yet available.

Table 3.5 reveals that the dominant position of UM is not only measured in terms of the student population but also by the number of graduates in the period 2010 to 2014. The dominance of UM graduates when compared to MCAST is gradually decreasing; in fact the ratio was more than 7.5 times higher in 2010 and decreased to 5.5 times in 2014. The ratio of UM to ITS graduates decreased modestly from 164:1 in 2010 to 153:1 in 2014. Despite the proportionate decrease in graduate numbers, the University of Malta remains the country's leading public higher education institution.

Government policy was not the only factor leading to massification. Increased women participation in higher education represents the second category, stemming from economic and societal developments that are both a direct and indirect result of globalisation and government policy-making. While globalisation fuelled more active involvement of women in societal affairs and in the labour market, Malta's policy after EU membership in 2004 encouraged women either through fiscal incentives or practical initiatives such as free childcare to work rather than stay at home. These policies motivated women to pursue careers and seek courses at tertiary level. A number of policy frameworks and strategies that include 'The Framework for Education Strategy for 2014 to 2024', 'The National Lifelong Learning Strategy 2020' and 'The Higher Education Strategy' highlighted the importance of reducing the gender gap and of having more active involvement of women in the labour market (NCFHE, 2016).

Societal changes and government decisions have therefore been crucial in attracting women as HEI clients. Having more women attending higher education courses signalled the need for HEIs to react to this pivotal change in their clientele, either through the governing structures or through the

managerial processes. As examples, the University of Malta has set up a Gender Issues Committee in order to advise the University Council. This works on several areas including unequal opportunities or treatment with respect to gender as well as the promotion of a policy of equal opportunity. Both MCAST and UM started to raise awareness of STEM (Science, Technology, Engineering and Mathematics subjects) careers and to target girls in STEM with more gender-inclusive content. The increase of women’s participation in Malta’s public higher education can be traced in Table 3.6. In the period 2007 to 2018 the percentage of women attending higher education courses when compared to the total public higher education students was 57%, as an approximate average figure.

Table 3.6: Number of public higher education students in Malta by gender

Gender/ Academic Year	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Female	5,483	5,536	5,685	6,073	6,900	7,350	6,888	7,276
Male	4,025	4,080	4,124	4,332	5,350	5,744	5,552	5,664
Total	9,508	9,616	9,809	10,405	12,250	13,094	12,440	12,940
Gender/ Academic Year	2015/16	2016/17	2017/18	2018/19				
Female	7,505	7,594	7,500	8,381				
Male	5,656	5,720	5,684	5,984				
Total	13,161	13,316	13,235	14,371				

Author: Colin Borg (2020) – Data provided by NCFHE

Women’s participation tallies with the female graduation rates which in 2015, stood at 56% (NCFHE, 2016). This has been a global trend: Germany witnessed an increase of approximately 15% from 1975 to 2002 (Wolter, 2016) and a percentage of 58% will be reached by the year 2025. This is not an isolated case as the probability ratios of women participating in higher education courses are rising in all countries with the proportion in most countries expected to exceed 50% by the year 2025. It is projected that, by that year, countries such as Austria, United Kingdom and Iceland will achieve high percentage figures of 72%, 71% and 68% respectively (Vincent-Lancrin, 2008).

The third category consists of the growing number of international students from both EU and non-EU countries. The percentage of international students at both UM and MCAST is approximately

10%. This is a lower percentage than the University of Luxembourg which has more than half of its population (51%) hailing from foreign countries but a comparable percentage to the University of Cyprus and Cyprus University of Technology, which both registered an 11% international share of the student body. Similar proportions of international students were also registered at the University of Iceland and Reykjavik University (12% and 9% respectively) (Times Higher Education, 2020). In Malta, the growing number of international students resulted in a threefold increase in revenue from international students/this income source. In Academic Year 2008-2009 the fees paid by EU and non-EU students yielded 1.5 million euros. The yield in Academic Year 2015/2016 increased to 5 million euros (Times of Malta, 2017). This meant more financial leverage for the University to invest in infrastructure and programmes. The focus on international students especially on International Masters Programmes (IMPs) led to a dedicated management support unit situated at the Valletta Campus.

The fourth category involves HEI programmes or initiatives intended to cater for a segment of the population that never had the opportunity to study at tertiary level. Four examples could be cited from the University of Malta. The first involves the University's innovative programme of the Liberal Arts and Sciences introduced in Academic Year 2014/2015, which attracted a staggering 797 students until Semester 1 of Academic Year 2016/2017. This programme is fundamentally different from all University courses since students can follow individual study-units instead of a pre-set course of studies and it does not involve a time-limit if the registered students decide to continue their studies and obtain a certificate, diploma or even a degree. Students can choose to study a multitude of academic disciplines, as is the norm in other Liberal Arts and Sciences programmes around the globe. The ultimate aim of this programme is to attract those who never had the opportunity to study at tertiary level. The second example comprises the UM's initiatives to target mature and part-time students. Mature students over 23 years of age can apply for almost any University course and can be potentially accepted following an interview by the Board of Faculty or Institute concerned. The increase in part-time courses, especially at postgraduate level, subsequently raised part-time student enrolment.

The other two examples target a particular geographical area of the country rather than a specific labour market niche. The University of Malta Cottonera Resource Centre was set up in 2013 in order to act as bridge between the inner harbour area and the University of Malta given that this particular

area represents a very low percentage of students that attain a higher education award. The aim of the Centre is to tackle this problem by promoting higher education amongst these communities. The University of Malta Campus in the sister island of Gozo provides an older example, since it was established in 1992. This campus is particularly important for Gozitan students given that they constitute one-tenth of the total UM population. It provides an array of services and hosts the end of semester examinations for all Gozitans. It also offers several courses that are specifically delivered at the Gozo campus. The same modus operandi and the services offered to the students are replicated in the MCAST Gozo Campus.

The fifth category is directly linked to the state-institutional initiatives to link programmes of study to today's industry-oriented professions since these career-oriented professions increase the chances of students becoming employable. Examples of academic areas that are heavily associated with the labour market and are an avenue to increase students' demand to attend higher education courses are ICT, banking, finance, insurance, engineering and health-care.

Table 3.7: Student population in Higher Education by field of study

Academic Field/ Academic Year	Academic Year 2007/2008	Academic Year 2008/2009	Academic Year 2009/2010	Academic Year 2010/2011	Academic Year 2011/2012	Academic Year 2012/2013	Academic Year 2013/2014
Social Sciences, Business and Law	3,543	3,591	3,953	4,408	5,359	7,648	5,774
Science	903	1,072	1,151	1,130	1,585	1,980	1,807
Engineering, Manufacturing Construction	786	777	813	805	858	1,110	1,078
Health and Welfare	1,290	1,405	1,454	1,888	2,113	2,112	2,519
Services	152	180	202	257	908	450	506
Academic Field/ Academic Year	Academic Year 2016/2017	Academic Year 2017/2018	Academic Year 2018/2019				
Social Sciences, Business and Law	5,948	8,266	8,917				
Science	1,406	1,632	1,653				
Engineering, Manufacturing Construction	1,327	1,312	1,308				
Health and Welfare	2,824	3,173	3,299				
Services	349	472	620				

Author: Colin Borg (2020) – Data provided by NCHFE and past details extracted from the report entitled: Further and Higher Education Statistics 2013/ 2014

Table 3.7 exhibits the upward pattern of the Maltese student population in academic areas that are heavily linked with industry-oriented careers. In six years (from academic year 2007/2008 to 2018/2019) the increase in student population more than doubled in social sciences, business and law; in Engineering, Manufacturing and Construction; and tripled in Health and Welfare. The increase has been multiplied by the overall increase in the student population, but the general trend is to choose subjects that are interconnected with the industry. Worth noting is that the Sciences are that constitutes the natural sciences experienced an upward trend until Academic Year 2013/14, but the number of students decreased in Academic Year 2016/17 until it has achieved an average of

1,650. The choice of sciences has always been a choice that experienced difficulties in Malta, as from the secondary school level, and this explains the reason why this area has not experienced the same continuous upward trend of other academic disciplines.

The five categories of massification analysed in this section provide an overview of the extensive and complex student clientele that today's HEIs have to cater for if they strive to design and implement a performance framework.

3.5 The effect of a changing scenario on governance, management and performance

Globalisation and the five main categories that led to the massification of HEIs delineated the changing parameters of higher education. Facts, case studies and statistics such as those presented here show the extent of change. However, the question that is of interest to this thesis is: how did the changing higher education scenario influence the management and governance of Malta's public higher education? This section begins dissecting the link between change, management, governance and performance indicators.

Changes were so profound (Guri-Rosenblit et al., 2007) that in the second half of the twentieth century terms such as 'higher education' and 'higher education systems' were being coined. More recent literature shows that HEIs are not immune to the changing global scenario especially following the international financial crisis in 2008. Scott (2015) describes the changing scenario as prompting the strengthening of institutional autonomy, managerialism, the elaboration of management structures and the focus on a cost-sharing approach by charging higher student fees.

Tougher competition from the private sector and from the international arena compounded with a broader clientele led to dramatic changes in the way HEIs are governed and managed. A number of governing and managerial outcomes can be observed as a direct or indirect consequence of the contextual changes. New structures were established, existing structures were re-designed, new managerial processes were instituted and more robust quality assurance mechanisms were introduced. HEIs also embarked on outreach programmes whilst engaging more in collaborative arrangements. This meant that public HEIs built an extensive number of relationships with civil

society, the research community and the private business sector. The panorama of governing and managerial changes led HEIs to an increase in the number of academic and administrative staff.

The link between change and managerialism is not only found in academic literature. International reports confirm the pattern. All reports published by UNESCO, the European University Association (EUA) and by HEIs themselves identify governing and managerial issues in association with a contextual analysis. In 2015, a Trends seventh edition survey, published by EUA, was conducted in which 451 HEIs participated from 46 countries. It represents a global total of 10 million students and a quarter of students who are enrolled in HEIs forming part of the European Higher Education Area (Sursock, 2015). Malta, through the UM, participated in this study. The Trends survey focused on teaching and learning aspects that are outside the scope of the thesis. However, the report demonstrated that teaching and learning are intimately influenced by management, governance, structures and decision-making powers. Therefore, governance and management are infiltrating all aspects of institutional operations; it is no longer possible to hold the idea that teaching, learning and research are a separate domain from governance and management.

Setting the context and studying governance and management in isolation would yield a limited and a half-baked approach, as if these two dimensions operate in a vacuum. On the contrary, effective governance and management must lead to results. Although the literature confirms that effective governance and management undeniably influence the performance of HEIs across a spectrum of results, international rankings base their methodologies on various aspects of higher education but not directly on governance and managerial issues.

Whatever the methodology used in international rankings, a specific tool to analyse various aspects of governance and management is absent. This does not mean that facets of governance of management are excluded or that there is no interplay of these two dimensions with the results of international rankings. What is lacking is the focus on structures, transparency, accountability, leadership, management processes, participation of students, staff and stakeholder involvement that leads to better results in the selected indicators.

Key performance indicators (KPIs) are instruments that were developed in the New Public Management era, intended to assess organisational activities from a procedural and performance-

based perspective. KPIs were originally introduced in the private sector as a tool to assist firms to manage their resources better, to achieve the intended outcomes and to ensure that an organisation is consistent with its own strategy (Mackie, 2008). As from the 1980s, KPIs spread to the public sector in the Scandinavian countries and in the United Kingdom and became a standard tool in almost all EU countries during the period 2002 to 2015 (Bezzina, Borg & Cassar, 2017).

In the higher education literature, there is limited focus on the inter-relationship between governance, management and performance indicators. These three facets are most often studied in isolation and not as a comprehensive framework that involves a strong relationship and that could lead to improved results, if each is given its due importance. In most instances, studies conflate governance with management and fail to differentiate the two different but strongly bonded concepts. Other studies of the relationship between governance and management tend not to focus on their ultimate influence on performance.

The following sections analyse the influence of contextual changes on Malta's higher education governance and management and attempt to examine what would be the ultimate influence on KPIs, if performance indicators were introduced there.

3.6 Making sense of a wide-spectrum student clientele: assessing change vis-à-vis structural complexities and performance indicators

If HEIs are to successfully nurture a performance-oriented culture, they must address difficulties stemming from the complexity of their structures and their intricate relationship with the state. The advent of massification resulted in two major structural challenges: first, the expansion of the HEIs portfolios and, second, the changing nature of the state-institutional relationship.

Organisational and governing structures had to fit within the changing circumstances of a globalised competitive world and an extensive student clientele. Institutional structures became bigger and, as Sursock (2015) emphasised, they turned into laborious organisational charts. HEIs became much more complex to manage and to monitor effectively given the number of units or departments in operation.

The argument that HEIs are not anymore simple organisations due to contextual changes was also postulated by Stromquist (2012). The direct effect of multiple structures led to the creation of multiple offices such as admissions, international office, quality assurance, strategy, and corporate offices in several administrative areas. The UM is a case in point since it has more than 220 units or departments. HEIs:

.....may require reviewing the number and size of units (faculties, departments, institutes) to ensure, for example, that they facilitate interdisciplinarity, as well as the balance between centralised management and more devolved responsibilities in order to ensure shared institutional quality frameworks and standards while enabling diversity and innovation across the institution (Sursock, 2015: 15).

If HEIs do not have a co-ordinated framework of structures that could retain their diversity of actions (Austin & Jones, 2016: 1) and a parallel sense of collective achievement, their ability to become performance-oriented institutions will be seriously limited. Structure is only one variable of the entire complex equation since other issues such as the increase in staff and collaborative arrangements adds to the challenge of having effective and efficient decision-making processes (Kezar & Eckel, 2004) that are performance oriented.

Malta, relies on a limited number of public HEIs, as opposed to international context (scenario) that saw the rise of heterogeneous HEIs in order to cater for the massive increase in the demand and to absorb a large number of students (Guri-Rosenblit et. al., 2007). Malta's choice thereby puts more pressure on expanding and creating more structures within public institutions. Numerous structures within an institution could prove challenging in terms of coordination and collective effort.

From a national perspective, HEI governing models around the globe responded to the complex contextual reality by shifting from a 'state control model' to a 'state supervisory model' where the state's function is to monitor and supervise HEIs rather than having a direct and controlling involvement. In the 1980s radical changes in the state-institutional relationship meant that the state's role is not any more focused on 'direct institutional governance' but is rather that of a 'facilitator' setting general objectives and indicating strategic direction, often through a regulatory umbrella (Zgaga, 2012). The facilitating role led to what Kenis (2016) described as collaborative governance.

Nevertheless, the state's role and the relationship between central state authorities and HEIs are of crucial importance in successfully administering KPIs. This has been confirmed through a survey conducted by Bezzina, Borg and Cassar (2017) with all EUPAN public administrations, where a total of 27 participating countries highlighted the importance of a functioning state-institutional relationship when it comes to managing KPIs within a large, complex administrative framework.

Malta's state governing model sits between a 'direct institutional governance' or 'state control' model and a 'supervisory' or a 'facilitator' model. On one hand, there is direct control and strong leverage from the government from a resources and policy point of view when considering that a large percentage of the HEIs' budget is derived from the central government and when taking into account that the national higher education policy is the sole responsibility of the central government. On the other hand, the national governing framework has been shifting towards arms-length regulation since the introduction of the National Commission for Further and Higher Education (NCFHE). The Commission was officially launched on the 14th September 2012 and is governed by the revised Education Act which came into force on the 1st August 2012. The previous Malta Qualifications Council (MQC) has been integrated into the National Commission for Further and Higher Education (NCFHE) and is now referred to as the Malta Qualifications Recognition Information Centre (MQRIC) (<http://www.eurashe.eu/about/partners/ncfhe/>).

3.7 The influence of change on management processes and performance management

The influence of contextual changes and the multiplication or the widening of the existing structures led to dynamic developments from a managerial point of view. Change in managerial processes can be regarded as having different facets. On one hand, change entailed stronger management in terms of effectiveness, harmonisation, simplification, stronger accountability and adherence to regulations, but on the other hand it added to managerial complexity in terms of processes, staff and collaborative arrangements. Contextual change added more value to HEIs, considering the wider portfolio of academic programmes on offer and the research initiatives that they have been involved in, but this means more complexity when and if Malta decides to introduce a formal set of Higher Education performance indicators at national and institutional levels.

3.8 Complexity through globalised higher education managerial processes

Globalisation, through the Bologna process (Altbach, 2016), is an example of the opposite facets of higher education contextual change. It brought about a better governing tool by encouraging student mobility, ensuring more accountability and adherence to regulations by having uniform programmes of studies. Uniformity compounded with clarity of the course structures meant that courses became more marketable to the target student groups irrespective of their nationality. Students can view programme details well in advance and can seek redress when the course programmes are not consistent with the Bologna requirements.

At UM, the teaching academic effort and financial managerial processes such as activity-based costing could be conducted on the strength of the information provided in the programme of study. This meant that the University gradually became more performance oriented and decisions are taken on the basis of evidence-based information. These new managerial processes could prove to be the foundation to a future performance mechanism.

Nevertheless, what were the structural and managerial consequences of these steps? New administrative structures and filters were created in order to facilitate these new processes through the establishment of an administrative unit, the Academic Programmes Quality and Resources Unit (APQRU) and the Senate's Programme Validation Committee (PVC). At MCAST two separate directorates were set up to focus on curriculum and quality assurance. Programmes are now better planned and more informative, but faculties or institutes are experiencing more numerous and more complex administrative filters as part of the due diligence procedure to publish a programme of study.

Table 3.8: The increase in the UM and MCAST courses on offer at Level 5 upwards

Number of courses	Academic Year 2002/3	Academic Year 2007/8	Academic Year 2012/13	Academic Year 2016/17
UM - full-time and part-time	100	112	157	210
MCAST – full-time only	nil	20	52	45

Author: Colin Borg (2020) - Data provided by the University of Malta, SIMS Office and MCAST's Students Admission and Records Office

The setting up of these new structures and the direction of the University to cater for the exigencies of the labour market and the demands of potential students, led to a significant increase in the programmes of study on offer. This development added to the challenge of managing more than double the courses between 2002 and 2017, from 100 to 210. Details of the increase in the number of programmes during this period are provided in Table 3.8. Although the increase in the delivered programmes could be perceived as a positive performance indicator, it brings about more work and challenges in terms of quality assurance, timetabling, IT technologies, library resources and, most importantly, administrative and academic staff. The University has to ensure that there are sufficient resources to run the programmes and check that there is no overlap within an impressive array of more than 5,000 study-units that are offered each Academic Year.

The administrative structure of the University annually confronts the challenge of updating the information concerning study-units in terms of content, lecturing staff and method of assessment in a timely manner before the commencement of the respective Academic Year.

The set-up of MCAST's University College in 2015 was crucial to cater for a total of 1,600 active full-time students. Statistics show a substantial increase, as was the case with UM, from nil programmes at Level 5 upwards in 2002 to 45 programmes in Academic Year 2016/17. MCAST figures reflect the full-time programmes only. The change process did not only necessitate an increase in full-time programmes but also in MCAST's teaching and learning approach through the introduction of cross-curricular programmes, work-based learning and in business enterprise. New undergraduate degrees were launched in Journalism, Environmental Health, Nursing Studies, Early Childhood and Education, Environmental Engineering and Chemical Technology (MCAST, 2018).

3.9 The staff dimension of complexity

Table 3.9: The increase in the UM's staff

Staff Category/Year	2002	2007	2012	2017	2018	2019
Resident Academics	194	381	830	955	959	949
Visiting Lecturers	58	94	656	794	783	782
Casual Lecturers	No Data	No Data	1205	1213	1272	977
Admin & Technical Staff	No Data	No Data	702	957	996	1027

Author: Colin Borg (2020) - Data provided by the University of Malta, Office for Human Resources Management & Development

UM data for the period 2002 until 2019, embodied in Table 3.9, shows the increase in the number of staff in all categories: resident full-time academics, visiting council-appointed part-time lecturers and casual *ad hoc* staff that are appointed on an hourly basis. The table also shows a significant increase in the managerial, administrative and technical staff. The only registered decrease was in the number of casual lecturers due to actions taken by the University to contain the expenditure in *ad hoc* unbudgeted expenditure.

The number of MCAST staff is also significant: in the year 2018 the College employed a total of 739 staff, which included the administrative and academic cohorts. This total comprises the staff that represented the three main colleges before MCAST was restructured: the foundation, technical and the university college. This represented a 5% increase over staff levels in 2017. The number of staff at the University College is much more limited in number, just 17, since it is still in its inception and all staff are until now employed full-time. The number is expected to increase in the near future given that MCAST's vision is to increase substantially the number of courses at higher education level.

The increase in UM staff reflects the number of organisational units that exist within the UM. The UM consists of 14 faculties, 18 institutes, 11 centres, 2 schools and an academy, altogether 46 main students' centres within the University's framework, and a total of 198 departments, divisions or

units across University. The University of Cyprus, which has a smaller population than UM, around 7,000 students, has only 8 faculties and 22 departments but has invested heavily in 113 laboratories and 800 faculty and staff members and is rapidly expanding to become the biggest employer in Cyprus for young researchers. In fact, it currently employs about 700 young scientists who are involved in external research funds (Times Higher Education, 2020).

The multiplication of structures led to what Stromquist (2012) called the expansion of administrative positions. The creation of new structures and the strengthening of existing structures involve the employment of new staff or the redeployment of existing staff. The more staff is employed the greater the challenge to work collectively, to have the necessary co-ordination and therefore to achieve fundamental institutional indicators such as increase in student numbers. There are other process-oriented indicators that could prove to be more challenging when numerous structures, staff and students are involved. Speed of decision-making and participation in decision-making are two examples of process-oriented indicators that could prove problematic.

Complexity is not only linked to the numerical increase in structures, staff and students. Central-local relations within the institutions are another important critical factors necessary to achieve performance targets. Research conducted among American Universities Greene (2010) revealed that complexity led to more centralisation given that specialised jobs require specific knowledge and skills in order to achieve performance indicators. This led to more concentration of power at the centre and more focus on increasing the number of employees at the central administration rather than in faculties or institutes. The undesirable result is that institutions could become less geared towards achieving intended targets if the faculties do not have the necessary staff to carry out the work required from their end. The survey by Rhoades during the 1977-1989 period found that administrative staff at the centre increased by almost twice that of the faculty (Stromquist, 2012).

In an exercise conducted with the data provided by the UM, it was discovered that 345 out of 702 administrative staff in 2012 and 535 out of 957 administrative staff in 2017 were employed within a central administrative support unit ranging from estates and works, library, finance, procurement, registrar's office, human resources office, international office, IT services, research support services and other administrative services. These figures show an increase from 49% to 56%, of staff that are

employed within a central administrative structure in the span of 5 years and confirms the view that today's specialised jobs are increasing the tendency of HEIs to employ staff at the core of HEIs, leaving faculties with fewer resources. Although central units assist faculties in their day-to-day activities, the risk of rendering faculties with serious deficiencies is real. Faculties are indeed a very important factor to achieve institutional performance indicators given that most activities require the work and input of faculties. If for example, one of the targets is to increase student number, the faculties' contribution in terms of marketing and outreach is essential.

3.10 Complexity through stakeholder involvement at international and local level

Complexity is not only an intra-institutional perspective. Complexity is multiplied by contextual developments from a stakeholder point of view. From the turn of the millennium, HEIs became more involved in the economic, social and environmental affairs of the state and built stronger ties with the social and economic sectors of modern states. Furthermore, a focus on research and innovation was crucial to strengthen academic-industry links, an aspect which has become increasingly important for the Maltese economy, especially following Malta's accession to the European Union.

This outward-looking stakeholder perspective compounds managerial complexity by requiring collaboration between the newly set-up institutional structures in order to cope with the growing number of collaborative agreements and the corresponding sources of funding. Several HEIs in small states embarked on an extensive programme to expand their international outlook. The University of Cyprus, which is ranked in the 67th place in the top 200 World Universities under 50 years old Category, is a member in 67 international associations or networks. The University of Luxembourg, considered as one of the most international universities in Europe, collaborates with 90 Universities around the world (Times Higher Education, 2020).

From a governing and a managerial perspective, the absorption of external funds and the collaborative arrangements with local and international authorities at UM and MCAST resulted in the creation of three central structures and in the employment of new staff. An elaborate administrative mechanism and strong co-ordination is required in order to achieve a designated performance indicator, such as the number of national and EU funded projects of a HEI. Complexity is not only measured in terms of new structures and staff but also vis-à-vis the collaboration that is

required between different central units and between central units and faculties to manage the administrative work that is involved in complying with EU regulations that are specific to the funded project and in order to maximise the absorption of funding.

Table 3.10: Number of collaborative involvements

Year	2011	2012	2013	2014	2015	2016
University of Malta	93	138	158	198	262	256
MCAST	n/a	n/a	n/a	19	37	58

Author: Colin Borg (2020) - Data provided by the University of Malta, Legal Office and by MCAST, Partnerships Office

The UM is an example of how EU accession has opened the door to funding opportunities. These funding possibilities are so significant that three offices were established: a project support office and knowledge transfer office, introduced in 2008, and, in 2016, a research support services unit. Projects were originally managed by the UM’s finance office but the enormous increase in the number of such projects meant that specialised management units had to be created. As shown in Table 3.10, the number of UM’s collaborative arrangements from 2011 until 2017 totalled 1105.

The tripartite model to deal with external initiatives can also be observed with MCAST which has also established an EU Projects Office, a Capital Projects Department and a Partnerships Office. The EU Projects Office was instrumental in securing funding for the MCAST Campus which is changing the infrastructural face of the College. The Capital Projects Department was essential for the construction of main MCAST buildings: the Institute of Engineering and Transport building, the MCAST Resource Centre and the Institute of Information and Communication Technology. This is a case of intra-institutional collaboration to achieve a common target.

MCAST registered a smaller number of collaborative agreements, a total of 114, in the period under review. However, there has been a strong increase annually. In fact, the number of collaborative arrangements for MCAST tripled in just three years, from 2014 to 2016. The Partnerships Office was instrumental in establishing various MoUs with educational and industry partners and has become a UNESCO-UNEVOC Centre for TVET in Malta.

Table 3.11: UM and MCAST funding

Year Awarded	MCAST EU Funded Projects	UM EU Structural Funds	UM EU/International Research Grants	UM Local Research Grants	UM Total External Funds
2004	-	-	2,986,366	-	2,986,366
2005	-	-	2,103,876	416,492	2,520,368
2006	-	-	3,233,683	87,724	3,321,407
2007	2,457,132	-	1,105,812	249,471	1,355,282
2008	2,084,273	-	2,345,670	541,151	2,886,822
2009	1,570,318	-	2,194,819	165,228	2,360,047
2010	4,872,113	934,573	2,453,508	146,068	2,599,576
2011	5,191,593	8,765,445	5,439,061	809,098	6,248,158
2012	5,219,660	5,680,120	5,454,175	917,946	6,372,121
2013	15,867,354	7,950,960	5,080,716	943,663	6,024,379
2014	11,224,825	14,996,328	3,895,422	161,500	4,056,922
2015	13,990,294	8,141,585	4,157,686	1,113,019	5,270,705
2016	66,693	3,920,528	6,061,531	543,638	6,605,169
Total Funds	62,544,259	36,889,539	46,512,323	6,094,999	52,607,322

Author: Colin Borg (2020) - Data provided by the University of Malta, Project Support Office and MCAST, EU Project Office

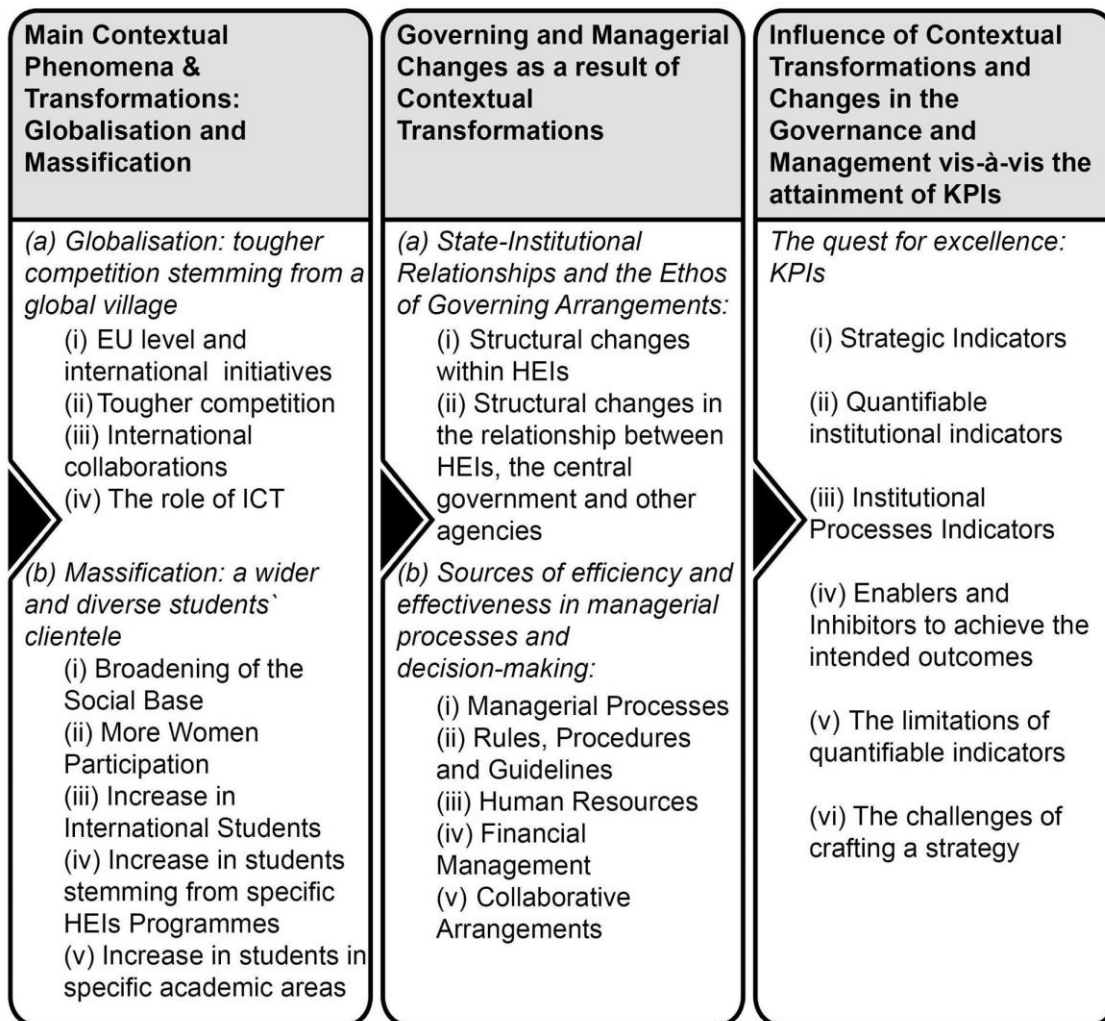
As demonstrated in Table 3.11, the University of Malta absorbed 52.6 million euro in EU Research funds that constitute two-thirds of the present University's annual budget. Funding has more than doubled between 2004 (2.9 million euro) and 2016 (6.6 million euro). MCAST absorbed a total of 62.5 million euro in EU Funding that includes the Structural Funds which is three times the total college budget. In just one year, in 2013, the level of EU funded projects was at the same level as that of the annual college budget. These are considerable figures given the relatively small amounts in terms of an annual budget dedicated to both institutions in the framework of a small nation state. Elsewhere, at the University of Cyprus, this scenario was experienced at a more accelerated pace with 95 research projects funded in just five years between 2014 and 2019, having a total value of 56 million euro (Times Higher Education, 2020).

Exhaustive collaborative agreements are also in place in order to achieve what are deemed as fundamental institutional performance targets such as the increase in international students. The UM's NOHA (Network on Humanitarian Action) Joint Master's Degree Programme in International Humanitarian Action is a case in point. It involves a consortium agreement for the delivery of a joint intensive programme by eight different European Universities: Marseille University, University College Dublin, Ruhr-Universität Bochum, Universidad de Deusto, Uppsala University, Rijksuniversiteit Groningen, Uniwersytet Warszawski and the University of Malta. The Joint Master's programme, which is spread over 4 semesters, intends to attract Europeans, Canadians, Latin Americans, Indonesians, Africans and students from the Middle East. The crucial point is that in order to attract a maximum of 25 international students, the Universities had to create a complex collaborative mechanism that involves the contribution of many different offices (Office of the Registrar, International Office, Scheduling Office and Project Support Office) from each respective University. The experience gathered at the University of Cyprus is quite similar but on a wider scale as the University was involved in the management and implementation of 52 Marie Skłodowska-Curie projects (Times Higher Education, 2020).

3.11 Concluding remarks: paving the way for the subsequent thesis chapters

The aim of this chapter was to outline the determining changes that are shaping the Maltese higher education context, to assess how these changes are influencing the governing and managerial dynamics of higher education and to raise questions about how these developments could influence the attainment of performance targets.

Figure 3.2: the three inter-connected phases of change, governance & management and performance



Author: Colin Borg (2020)

Two underlying aspects emerge from the analysis. First, contextual changes are multiplying the structures, operating systems and increasing the staff in HEIs. This scenario is directly influencing the wide array of performance indicators that could be potentially determined within institutions. If new structures are created to take care of academic programmes and funded projects, performance indicators must be designed to assess the performance of these new units. The second underlying aspect is that the more complex the context, the more elaborate the structures are and as a result it becomes more challenging to achieve institutional and national performance targets.

Figure 3.2 summarises the numerous issues at play to create a holistic picture of the context and to explain the subtle but very crucial link between the three inter-connected spheres. This chapter lays the foundations for the remaining chapters of the thesis, which explore at greater depth the relationship between context, higher education governance, management and performance.

CHAPTER 4

THE INFLUENCE OF THE STATE-INSTITUTIONAL RELATIONSHIP ON PERFORMANCE: THE TRANSITION FROM A STATE-AGENCY MODEL TO A DYNAMIC MULTI-LEVEL GOVERNANCE MODEL

4.1 Introduction

The focus of the preceding chapter was on the context of Malta's higher education sector and how contextual developments influence or may influence the performance of HEIs. The development of a competitive global economy is supported by knowledge-based national higher education systems in a way that most scholars refer to as 'managed education'. New Public Management (NPM) ideas as well as the rise of entrepreneurial universities influenced substantially the way that national higher education systems are designed (Frost, Hattke & Reihlen, 2016: 1).

This chapter assesses the interplay of the state and other stakeholders with Malta's national higher education system from a governance perspective by examining five different facets: first, the role and relevance of the state in the higher education environment; second, an assessment of institutional autonomy ; third, the transition from a state-agency model to a dynamic, multi-level governance model, fourth, the challenges that a dynamic multi-level governance model presents for performance management; and fifth, an analysis of the contribution of lay members representing the external stakeholders in institutional governance and management.

In studies of the state-university relationship, the pioneering work is attributed to Clark, whose foundational study was published in 1983. His 'triangle of coordination' establishes three vertices: the state's authority, the academic oligarchy and the market. The model was accepted as a useful comparative tool to analyse shifts among these three elements and to compare national systems of governance. There are instances and conditions within countries where the state is weak and the market is more dominant, while in other states a different or an inverse scenario is found. Following this logic, Braun and Merrien (1999) compared the state-controlled model to Sweden, the market-driven model to the United States and the academic oligarchy to Italy and the United Kingdom.

The Triple Helix of University-Industry-Government Relations was later proposed by Etzkowitz and Leydesdorff (2000). Three categorisations were delineated. First, the communist-driven model reflecting the former Soviet Union and Eastern European countries that is based on a rigid, top-down approach that inhibits industry innovation. Second, the laissez-faire model that is based on circumscribed and clearly defined relations between the University, Industry and the Government. Austin and Jones (2016) applied this to Sweden. The third category of the Triple Helix Model involves trilateral overlapping networks in hybrid institutions, most often associated with the United States.

Clark's model represents tensions and shifts in the distribution of power among the three vertices (Austin & Jones, 2016). The importance of each vertice depends on conditions obtaining in each state. At the time it was conceived, Clark's model envisaged the rising aspirations of consumers and more competition for resources, a theme that was further expanded and given more prominence by later authors: Jarzabkowski (2005), De Boer, Enders and Schimank (2007), and Barnett (2011). Clark's attribution of the state's role is also explained through two dimensions: bureaucratic and political. Austin & Jones assert (2016: 73) that the bureaucratic environment involves multiple forms and levels of coordination and complex administrative structures. Barnett's emphasis on super-complexity in 2000 drew attention to the elaborate frameworks that institutions have to work with. Key higher education players include non-governmental organisations and international institutions. Dynamic global societies, academic entrepreneurialism, an active civil society and rising citizen aspirations are transforming higher education governance. While organisations and institutions represent formal governance networks, the public and constituencies such as students, student associations, industry and community associations form informal networks also influence the design and governance of higher education systems. In the circumstances, a dynamic, multi-level governance model is needed to make sense of this complexity, taking account of the spectrum of stakeholders that are involved in today's higher education governance and the dense network of relationships. This chapter sets out to craft just such a model.

4.2 Data sources

This chapter involves the analysis of numerous academic papers, books and international reports, notably the EUA (European Universities Association) report, published in 2017, that assessed university autonomy across Europe. Case-studies of the transition from Malta's 1988 Education Act to the formulation of proposed institutional legislation for UM and MCAST are presented and assessed with reference to European experience.

In addition, the chapter draws on data from the author's observation of institutional meetings. The first observation exercise was an EUA annual meeting held in Tallinn, Estonia, during which university autonomy and structures were discussed. The second meeting was an *ad hoc* UM Senate meeting that discussed the proposed University Act and the third meeting was hosted by a multinational organisation, *Learning Machine*, when blockchain technology was introduced as a pilot project in Malta's higher education certification system. Malta was the first state to adopt the technology for this purpose.

Headcount data was requested from the National Commission for Further and Higher Education (NCFHE), the National Statistics Office (NSO), the Planning and Priorities Co-ordination Division (PPCD) as well as UM and MCAST. This approach is consistent with the research methods employed previously.

Interviews were also held with lay members of governing bodies, two appointed on the University Council and one on MCAST's Board of Governors.

4.3 The state-institutional relationship in Malta, 1964-2018

Figure 4.1 below presents a chronological, thematic overview that is subsequently reviewed in this chapter. The grid embeds in a time-frame, the salient thematic areas concerning governance and management of Malta's higher education. Thematically, the state-institutional relationship has the following dimensions: (a) political context and policy framework; (b) legal and regulatory regime;

(c) autonomy; (d) stakeholder involvement; (e) performance appraisal, incentives and accountability. The years 1964-2020 can be divided into three phases:

Figure 4.1 - Malta's evolution of the state-institutional relationship

Time Period	2004 - 2018 <i>Third Phase</i> post EU Accession	High Central government control A multitude of complex policy frameworks	Higher and more complex regulatory regime through the introduction of NCHFE audits	A further shift towards partial autonomy - owning lands - more flexibility in offering programmes	Stakeholder Involvement is centric and dynamic	Participation in ranking exercises The set-up of a broad national KPIs framework
	1977 - 2004 <i>Second Phase</i> pre EU Accession	High Central government control Increase in policy frameworks	Stronger regulatory regime Set-up of NCHFE and the introduction of the Education Act	Increase in autonomy through the checks and balances introduced by the Education Act	Increase in Stakeholder Involvement	The introduction of broad performance objectives
	1964 - 1976 <i>First Phase</i> post Independence	High Central government control Few policy frameworks	Legal Framework exclusively dependent on the Executive Government	No autonomy Higher Education dominated by the central government	Little Stakeholder Involvement	No performance indicators
		Political Context Policy Frameworks	Legal and Regulatory Regime	Autonomy	Stakeholder Involvement	Performance Framework
Governing variables in the State-Institutional Relationship						

Author: Colin Borg (2020)

The first phase: state command and control (1964-1976) - the post-independence decade when the state was the universal provider and the University was a monopolistic supplier. Market forces were almost inexistent in the strong state-institutional relationship. The University of Malta moved from Valletta to a new, larger campus, consistent with the government's strategy to expand the University's role in national development and to democratise higher education. There was little, if any, stakeholder involvement and performance management was still in its infancy, even at an international level.

The second phase: experimentation, expansion, multiple transitions (1977-2004) – In this pre-accession era, the state was still the universal provider in tandem with the university as a monopolistic supplier. This period began with a serious conflict in relation to academic autonomy after the government introduced wide-ranging, controversial reforms and closed the Arts and Sciences faculties without any consultation. The 1988 Education Act strengthened institutional autonomy. Roles and responsibilities within the state-institutional relationship were better defined while checks and balances formulated. There was still limited scope for market forces in the state-institutional relationship although the first private-oriented HEIs opened. In 2000, MCAST was set up to focus on vocational higher education. Student access to state higher education institutions rose exponentially, beginning the massification of Maltese higher education. The number of students enrolled with overseas HEIs established in Malta increased substantially. By 2004, the year of EU accession, the regulatory framework had been significantly strengthened through the establishment of NCFHE and the introduction of the Education Act. Consequently, demands for institutional accountability began to arise. Broad basic performance objectives started to feature either because of EU influence or through institutional initiatives.

The third phase: pluralistic governance and stakeholder interactions (2004-2020) – The post-EU accession were characterised by the transition from the state's role as provider to that of enabler and regulator of an expanding market in higher education. The number of licensed HEIs rose to an unprecedented extent. Market forces became central in the state-institutional relationship as a consequence of full-blown massification and the advent of a supra-national regulatory regime as an agent of globalisation. A more sophisticated regulatory regime was introduced through NCFHE audits. Performance became critically important to institutional survival. The first public sector KPIs were launched, although the framework lacked a holistic approach. Policy frameworks that are interlinked to higher education multiplied, given the increasing importance of higher education to the social, economic and sustainability dimensions of the state. Complexity has increased not only in terms of policy and regulatory frameworks but also because of the dynamism of the stakeholders involved in governance. While public HEIs have started to enjoy more autonomy through the ownership of land and the flexibility to offer programmes in tune with the economic circumstances, State oversight is still prevalent.

The foregoing outline indicates that change does not occur uniformly across higher education. One example is the fact that, while the state has exposed public HEIs to the full impact of a liberalised higher education market, the terms of the financial relationship are little different from those in 1964. Public HEIs continue to rely heavily on state funding. State control has remained prevalent despite efforts to increase institutional autonomy.

4.4 The state's role in higher education: contemporary perspectives

Whatever the type and extent of a state's influence, the performance of HEIs is significantly impacted by its actions and decisions. A question that is often asked in higher education literature (Austin & Jones, 2016; Lingenfelter, 2004; Neave, 2012; Scott, 2015; Shattock, 2006; Smith & Adams, 2009 and Zgaga, 2012) is whether, in a globalised world, higher education could be left unregulated, without any state interference or involvement. This question leads us to consider whether the state encourages or inhibits performance management in higher education.

In a world dominated by globalisation and the free market, higher education cannot be left exclusively at the mercy of the business sector. The arguments in favour of having the state involved in higher education are essentially: first, higher education is deemed a public good; and second, externalities are of paramount importance for socio-economic development. To survive in competitive labour markets, workers must be highly skilled; tertiary level education yields reward for them. A knowledgeable workforce and a well-established higher education system are associated with strong economic growth (Eberly and Martin, 2012).

Lingenfelter (2004) represents the common good, public interest and externalities arguments as a five-fold, multi-dimensional purpose: first, the transmission and expansion of knowledge and information to citizens; second, the perpetuation of cultural heritage to future generations; third, the provision of a forum of academic criticism for societal developments and public affairs through a supposedly free debate in a democratic political framework; fourth, fostering equality of opportunity especially in terms of social mobility; and fifth, sustaining economic development. The partnership between higher education and economic and social progress can be noticed in the discourse transition from the present Education Act (1988) to the proposed University Act (MEDE, 2017).

While the Education Act makes no reference to externalities, the University Bill mentions mobility, equity, social cohesion, active citizenship, creativity, innovation and entrepreneurship (MEDE, 2017: 10). In contrast, the proposed MCAST Act (2019) does not refer to these externalities and mirrors the style of the Education Act.

The argument that higher education is in the public interest is strengthened by the contention that if the market fails, higher education is so fundamental for a modern economy that the state must guarantee its continued contribution (Tilak, 2004). The ‘duty of the state to provide for education’, although not limited to higher education, is indeed enshrined in Malta’s Education Act, which reveals the state’s strong hold by declaring ‘the right of every citizen to receive education and instruction’ (Education Act, Cap 327, S 1, 1988). The crucial role of the state is also specified in the proposed University Act by highlighting its role to ‘guarantee mechanisms for free access to higher education’ (MEDE, 2017: 4) and by the proposed MCAST Act (2019: 5) which specifies that ‘the College shall endeavour to ensure that education is accessible and available to all students’.

Despite the importance of higher education, there are growing concerns about affordability and accessibility from the point of view of state and students. The affordability of higher education by citizens was an issue during Obama’s administration in the United States. Obama stressed that higher education cannot be turned into a luxury. Higher education is indeed an essential element that every household must be able to afford (Quoted in Eberly and Martin, 2012). Taking Malta as an example, higher education is not only free but the state provides for maintenance grants to all full-time undergraduate students, including those who repeat a year or are registered as additional year students. Supplementary maintenance grant is provided, over and above the standard maintenance grant, to citizens who earn less than the average annual income (MEDE, 2017). Nordic countries including Iceland and Cyprus ensure affordability by providing free higher education at an undergraduate level although Iceland request a nominal registration fee. On the other hand, the University of Luxembourg does not provide free higher education and charge enrolment fees that can vary from one programme to another (European Commission, 2020).

Table 4.1: Malta Government Allocation at Higher Education Level through Scholarships: 2011-2017

Scholarship Type	Financial Allocation (EUR)
Endeavour	9,500,845
Reach High	3,000,000
Master It	4,970,953
Total	17,471,798

Table extracted from: Parliamentary Question tabled in Parliament by the Minister for Education and Employment (The Malta Independent, 2017).

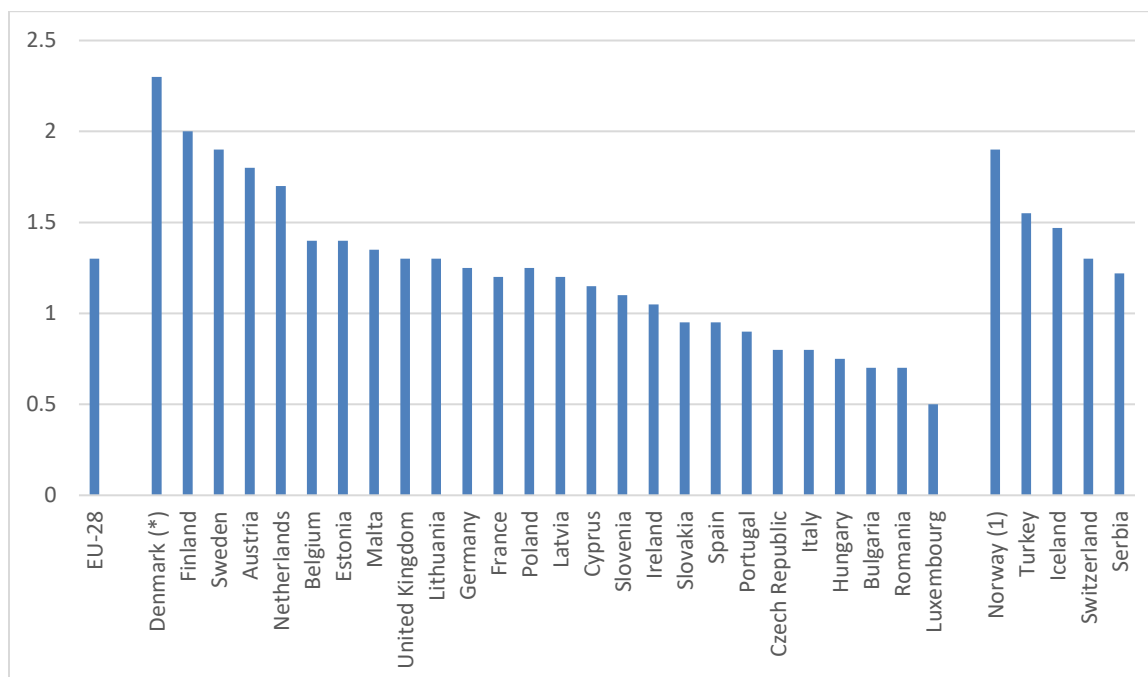
The universal affordability of Malta's higher education is also manifested in the significant financial investment that the Maltese government had allocated through scholarships over a period of six years, as demonstrated in Table 4.1. The scholarship schemes support students at Master's and Ph.D. level, and their objective is three-fold: first, to support tertiary education at the highest standards; second, to ensure that specialists graduate in specific labour market competencies that are crucial to the Maltese economy and third, to improve the international competitiveness of students compete. However, the budget allocated in a period of six years is just 0.005% of the total government budget in one year, 2015. This negligible proportion is not consistent with the importance of higher education in a knowledge-based economy.

Table 4.2: Malta's expenditure on Higher Education

Expenditure (€ in millions)/Year	2011	2012	2013	2014	2015
Tertiary Education Expenditure	73,112	72,610	84,131	85,498	88,255
Total Government Expenditure	2,818,807	3,064,438	3,206,101	3,495,868	3,814,739
Percentage expenditure on higher education in relation to the total government expenditure	2.59%	2.37%	2.62%	2.45%	2.31%
Percentage expenditure on higher education in relation to GDP	1.07%	1.01%	1.1%	1.0%	0.92%
Expenditure (€ in millions)/Year	2016	2017	2018	2019	
Tertiary Education Expenditure	102,283	107,551	109,679	118,402	
Total Government Expenditure	3,777,710	4,053,458	4,528,494	4,974,274	
Percentage expenditure on higher education in relation to the total government expenditure	2.71%	2.65%	2.42%	2.38%	
Percentage expenditure on higher education in relation to GDP	0.99%	0.95%	0.88%	0.89%	

Author: Colin Borg (2020) - Table extracted from NSO data

Figure 4.2: Public Expenditure on tertiary education relative to GDP, 2014 (Percentage Data)



Extracted from: Eurostat Statistics Explained (2017)

If the state is expected to ensure affordability and sustainability of higher education, the claim is made that public expenditure is so substantial that it will ultimately undermine public finances. This claim is not corroborated by Eurostat (2017) and NSO data. Table 4.2 and Figure 4.2 reveal that average public expenditure on higher education amongst 28 EU member states is less than 1% of their annual GDP and the last two years: 2018 and 2019 registered a negligible 0.88% and 0.89% respectively. Malta's higher education public expenditure is comparable. Worth noting is the relatively high public expenditure in Scandinavian countries such as Denmark, and non-EU countries, notably Norway. Expenditure on higher education in proportion to total government expenditure was on average 2.5% during the period 2011 to 2019.

The state's role extends to other facets that include the development of non-university institutions and the encouragement of private provision for higher education. The development of public non-university institutions enhances responsiveness to the economy's vocational needs, as does MCAST.

The relationship of the state with *private* HEIs can be observed from two angles: the contribution of private HEIs to the five public dimensions articulated by Lingenfelter (2004) and the state's regulation of private institutions (Austin & Jones, 2016). The encouragement of private provision in Malta led to the establishment or recognition of 73 licensed private institutions, most of which focus on specific academic areas. It is important to realise that the 73 private HEIs are not all start-ups. Most have been operating for a considerable period. The most controversial private investment in Malta was the establishment of the American University of Malta (AUM) in 2017. It was granted a five-year license in 2017 to open its doors to a maximum of 4,000 students, but only around 120 students registered. The Maltese government assisted the new university by agreeing to lease for 100 years two prime areas in the South of Malta, Cospicua and Marsascala, and in return guaranteed a limited number of seats for Maltese students through a scholarship scheme.

Private HEIs injected a stimulus into Malta's public higher education governance and management. Elsewhere, this scenario induced the state to encourage HEIs to be more results-oriented, accountable and auditable (Boitier & Riviere, 2016). When compounded with the advent of massification and globalisation, such a context essentially meant two major consequences: the rise

of the administrative and managerial estate and the challenge of funding (Altbach, 2016). In practice, public HEIs are now expected to adopt a more entrepreneurial approach, to allocate resources more efficiently, to hire appropriate staff and to build new facilities in order to survive the changing context (Taib & Abdullah, 2015).

Funding and performance management have become strongly interlinked in many states. Mathematical formulas based on selected indicators started to be used to allocate resources to HEIs. Funding formulae linked to measurable indicators were introduced in the 1990s and spread to many European states since the turn of the new millennium. The indicators employed in funding formulae include: student enrolments (undergraduate, graduate, doctoral, international), number of courses, research contracts, diversity indicators, community outreach, graduate employment rate, patent applications, scientific activities, number of staff, national and international rankings. Models vary from an entirely formula-based system (Germany) to ones where the formula determines only a small part of the grant (France) or the teaching element only (Sweden, Denmark, Latvia and Romania) (Pruvot, Claeys-Kulik, & Estermann, 2015).

Malta's state funding is not based on performance indicators. It is rather determined through annual negotiations with the central government. If Malta was to introduce performance management in its funding system it would face the dilemma confronting many European counterparts: while the role of the state is essential, too much state interference could inhibit the development of higher education hindering performance-oriented reforms in public HEIs. In Clark's (1998) terminology the 'entrepreneurial' side of public HEIs is undermined. Zgaga (2012) deals with the dynamic state-institutional relationship by presenting a square composed of academic freedom, institutional autonomy, public responsibility and entrepreneurship. The argument essentially revolves around the principle that although public HEIs have a 'public mission' and are expected to provide a service to the general public, it is necessary for them to become innovative and responsive to change.

For HEIs to rejuvenate their governing structures, decision-making processes and managerial organisation and co-ordination, they require authority to take decisions autonomously. Austin and Jones (2016) postulate the argument that HEIs have much greater autonomy than traditional public administration and therefore have more governing and managerial freedom in order to perform better against intended targets.

The remainder of this chapter analyses their view by assessing the evolving context that resulted in the transformation of the state's involvement with higher education from a 'philosophical' principle to an 'instrumental' and 'managerial' principle (Zgaga, 2012). The analysis includes an assessment of four different facets of university autonomy within Malta's higher education context: organisational, financial, staffing and academic. These facets were thoroughly analysed by Pruvot and Estermann (2017) in a publication of the European Universities Association (EUA).

4.5 Institutional Autonomy

The proposition that the state plays an essential role in ensuring that higher education serves the public interest, stems from the knowledge that the state influences public HEIs directly and indirectly. Shattock (2006) highlights this importance and asserts that in order to examine the state's influence, the analysis of higher education governance is of central significance. With this in view, the aim of this section is three-fold. The first aim is to consider the transition from a dominant government model to a state-agency model that essentially explains the shift from a 'government' to 'governance' focus. The second aim is to review typologies of state-institutional models and assess their relevance and limitations when transposed to Malta's higher education scenario. The third aim is to appraise four dimensions of institutional autonomy by applying indicators designed by EUA.

The state-institutional relationship is fundamentally important in understanding the ability of HEIs to attain performance targets. While public HEIs require state assistance, a degree of autonomy is essential for them to respond flexibly to the market in higher education and to improve their performance.

Traditionally, higher education was rooted in a sovereign, rational-state model that is most often associated with continental countries. It is based on strong hierarchical coordination through state-centred policies permitting little or no institutional autonomy. Such HEIs have little room to plan or manoeuvre and are tightly controlled by the state. Institutions are a means to attain national political goals. This state-institutional relationship revolves around a centralised, top-down approach in which the state dominates the governance and management of HEIs (Austin and Jones, 2016). This

model affords little or no flexibility for HEIs to set their strategy and performance targets, to build the necessary performance structures and to have staff involved in the institutional performance initiatives.

From a legal and policy perspective Malta's higher education is state-centred, similar to the continental model. The governance of higher education rests entirely on the Education Act, Chapter 327 of the Laws of Malta. This law, enacted in 1988 to replace earlier legislation, provides a comprehensive framework for the entire Maltese education system rather than a focus on the higher education area. The Act explains the functions of the Education Directorate and its co-operation with schools, colleges and with UM and MCAST serving as a defining framework of further and higher education and other important considerations such as the teaching profession and financial provisions (Education Act, 1988). Throughout the subsequent decades, the Education Act was amended substantially in order to adapt to the changing context.

Higher education funding and strategy are other facets of dependence on the government. Most of the institutions' funding relies on the annual appropriations in the government budget (European Commission, 2008). The central government finances 80% of the total University income (University of Malta, 2015) and almost 96% of MCAST's budget (MCAST, 2016). Higher education strategy on a national scale is also determined by the central government. The latest strategy, written in 2014 (NCFHE & MEDE, 2014), was a collaborative exercise between MEDE and NCFHE. HEIs were not the prime actors and were only consulted. The putative University Act (MEDE, 2017) was also led and drafted by MEDE and was subsequently open for consultation for eight months, between April and November 2017. The University's governing bodies, Council and Senate, discussed this document in detail in July and September 2017 respectively. However, the crucial point is that a central government ministry steered such a strategic initiative, while HEIs merely reacted to the state's initiative.

State-centred models have been undergoing transformation in numerous policy areas, not least in higher education. Policy decisions are now less dominated by the central government and are increasingly influenced by a variety of policy actors. This approach is analysed in the next section.

The governance transition, and therefore the inclusion of a wide variety of actors, has become more evident following Malta's accession to the EU. The Europeanisation of policy-making has influenced Malta's public sector structures (Sammut, 2009). In the higher education domain, the dominant state-model has been irreversibly transformed to a state-agency model. The transition from a 'government' to a 'governance' approach helps us to understand better the state-agency theory. Governance reflects the approach that executive governments do not simply exercise power but negotiate with stakeholders and agree on a course of action (Colebatch, 2005). The higher education state-agency theory was first coined by Kivistö (2005) in which the contractual relationship between the state and another agency that is acting on the state's behalf led to the establishment of performance-based funding procedures and quality assurance mechanisms.

A governance approach is substantially different from the hierarchical style (Sundström & Jacobson, 2007) that is associated with the dominant state model. The transition to a regulatory model has challenged the idea of the state as an exercise of authority (Hughes, 2012). In contrast to the dominant state model, the notion of governance is about inclusion, networking, effective decision-making processes and designing appropriate institutions and governing structures to effectively and efficiently manage a public body. Therefore, nowadays governance in higher education revolves around a dynamic web of institutions or bodies and how these institutions relate to the whole system (OECD, 2003).

The shift from a state-centred to a governance approach can be noticed by analysing the content and discourse of the 1988 Education Act and the proposed new 2017 University of Malta Act. While the spirit of 'governance' is completely absent from the Education Act, it is mentioned 36 times in the proposed new University Act even though the former document consists of 11 sections and 105 pages and the latter consists of 12 sections and merely 33 pages. In the proposed University Act, governance is related to a number of higher education dimensions including structures, good governance and multi-level governance but it also gives importance to democratic governance, hence the need for effective consultation processes both internal and external to UM. The proposed MCAST Act, which consists of 5 sections and 34 pages, mentions governance less frequently; it is only specified in one section entitled: 'The Governing bodies and Principals of the College'. The fundamental difference from the proposed University Act is that governance is mentioned in a static, formal manner rather than the dynamic governing approach adopted by the UM Act.

Funding is another dimension that is being channelled from a state-centred style towards a more institutional-based funding system. The plan is to embark on three-year funding plans where the UM could project its activities more autonomously and could also create its own funding vehicles. This three-year business-plan financing system is much different from the traditional annual budgeting in which institutions receive quarterly financial tranches.

Austin and Jones (2016) presented other models that explain the tendency towards a state-agency model. They range from an evaluative state to a regulatory state. The evaluative state model is mainly implemented in the European context, including Malta. It describes the cultural shift from a 'welfare state mentality' to a national practice where specialised committees and agencies scrutinise the activities of HEIs. Formal mechanisms assess the ability of HEIs to achieve their performance indicators and the institutional contribution towards the state's national priorities. The focus is on quality assurance and institutional accreditation. Therefore, although on one hand HEIs were granted more autonomy, on the other hand institutions were placed within a legal framework that puts more emphasis on institutional responsibility and accountability. In Malta, this emphasis was highlighted in the NCFHE institutional audits that were conducted for the first time in 2015.

The regulatory state model, that is most common in the US and UK, presents a state-university relationship in which the states direct their regulatory functions into independent regulatory agencies. The role of these independent agencies is to assess the HEIs' activities in relation to the country's economic and social policy spheres. The American model has strong university autonomy but robust public monitoring of institutional performance and external stakeholder involvement. The British model is also based on institutional autonomy, academic collegiality and limited state involvement (Austin & Jones, 2016).

Higher education governance suggests that in reality state-institution relations cannot be rigidly and simplistically assessed against one model (Trakman, 2008). This is especially applicable to countries that were colonised for a long time. Malta's national governance is an example of a system of governance that is based on a hybrid of different models.

This entails that while UM and MCAST be considered as autonomous institutions, similar to higher education institutions in the British model, they depend heavily on the central government from legal, policy and financial perspectives. In contrast, they approach the American model in regard to public monitoring and external stakeholders` involvement. For the first time, an external audit of the three public higher education institutions was carried out in April/May 2015 with the aim of setting up a national external quality audit system that complements the internal quality assurance mechanisms and to develop a national quality culture. The way the audit was carried out involved stakeholders such as the Directorate for Lifelong Learning and the Employment and Training Corporation and ACQUIN, the transnational partner of the ESF project entitled ‘Making Quality Visible’ and an established cross-border Higher Education Quality Assurance Agency based in Germany (NCFHE, 2015).

The view that national higher education systems are indeed a reflection of different models and consist of different scales of autonomy was highlighted by the European University Association’s (EUA) study of university autonomy in 2016 by analysing four dimensions: organisational autonomy, financial autonomy, staffing autonomy and academic autonomy. The EUA Autonomy scorecard was introduced in 2011 and is based on 30 different core indicators that are organised within the four main dimensions. Countries were classified into four clusters: High Score (81% to 100%), Medium High Score (61% to 80%), Medium Low Score (41% to 60%) and Low Score (0 to 40%) (Pruvot & Estermann, 2017). Malta was one of the few EU countries not included in this exercise.

From an organisational autonomy perspective, the United Kingdom, Denmark, Finland, the French speaking community of Belgium, Estonia and Lithuania achieved a high score. Luxembourg, Latvia and the United Kingdom scored high in financial autonomy. In staffing autonomy, Estonia, Sweden, the United Kingdom, Switzerland, Luxembourg, Finland, Latvia, Denmark, Poland and Lithuania attained high scores. Estonia, Finland, Ireland, Luxembourg, the United Kingdom and Norway achieved a high score in academic autonomy valuation (Pruvot & Estermann, 2017). In the higher education literature academic autonomy is referred to as academic freedom.

Table 4.3: Assessing UM and MCAST autonomy within the Maltese context

Scale of organisational autonomy/Indicator	Full Autonomy	Partial Autonomy	No Autonomy
Organisational Autonomy			
Executive Head selection procedure		UM*	UM* & MCAST
Dismissal of the Executive Head		UM*	UM* & MCAST
Term of Office of the Executive Head			UM & MCAST
Inclusion and Selection of External Members in Governing Bodies			UM & MCAST
Capacity to decide on academic structures		UM & MCAST	
Capacity to create legal entities		UM & MCAST	
Financial Autonomy			
Length and Type of Public Funding			UM & MCAST
Capacity to keep surplus		UM & MCAST	
Capacity to borrow money			UM & MCAST
Ability to own buildings		UM & MCAST	
Ability to charge tuition fees for national/EU students		UM & MCAST	
Ability to charge tuition fees for non-EU students		UM & MCAST	
Staffing Autonomy			
Ability to decide on recruitment procedures		UM & MCAST	
Ability to decide on salaries		UM & MCAST	
Ability to decide on dismissals		UM & MCAST	
Ability to decide on promotions		UM & MCAST	
Academic Autonomy			
Capacity to decide on overall student numbers	UM & MCAST		
Ability to select students	UM & MCAST		
Ability to introduce and terminate programmes	UM	MCAST	
Ability to choose the language of instruction			UM & MCAST
Capacity to select QA mechanism and providers		UM & MCAST	
Ability to design content of degree programmes	UM & MCAST		

Author: Colin Borg (2020) - Table extracted from the EUA report entitled: ‘University Autonomy in Europe III: The Scorecard 2017’ written by Pruvot & Estermann (2017). The degrees of autonomy into three main classifications were created by the author.

*Although the UM's Executive Head is the Rector, there are other high-level positions (Chancellor and Pro-Chancellor) that have a higher status and significant influence decision-making.

The author assessed the EUA indicators that have significant influence on the performance of HEIs within the Maltese context by applying a scorecard of three different scales of state-institutional relationship in terms of autonomy, as shown in Table 4.3. The information was verified either through a request for specific information or data or through the observation sessions.

The organisational dimension is assessed by six different indicators. The selection criteria to choose the UM's executive head involves intra-institutional cooperation between University academic staff and the Government appointed members of the University's Council. The Council selects the Rector, as was the case in March 2016. Council members voted and chose between two contestants. The vote was 27 in favour and 4 against (Times of Malta, 2016).

Although the Rector is vested with day-to-day administration of the University, other leadership positions exert significant influence on the University. The Chancellor, who is appointed directly by the President of Malta after consultation with the Prime Minister and the Leader of the Opposition, is the highest officer of the University and is responsible for the University as a legal entity as well as the promulgation of all regulations and bye-laws. The Pro-Chancellor, who is also appointed directly by the central government, has a more active role by acting as the Council's Chairperson (Education Act, Cap. 327, Part VII, 1988: 44). Of these three high-level positions, only the Rector is approved by Council. However, Council is significantly influenced by the government since the majority of council members are government appointees. MCAST's executive heads are also chosen directly and exclusively by the Government: the President of the Board of Governors and the CEO (who is also referred to as the Principal) are appointed without any formal consultation.

The strong involvement of the central government in both UM and MCAST's highest echelons is also manifested in terms of the dismissal of the executive head, although this is not a common occurrence. Most of the appointed UM's Rectors and MCAST's Chairmen presided for the entire duration of their term as prescribed by the Education Act. With regards to the term of office, 80% of the EUA countries follow a model that is prescribed by national legislation (Pruvot & Estermann,

2017: 16). Malta's scenario has however exhibited a sudden change in the Chairmanship and Board of Governors of MCAST following the newly elected Labour Government in 2013. This scenario is consistent with the broader national pattern of significant concentration of power in the hands of the central government when appointing institutional leaders. Malta's higher education is no exception.

The inclusion and selection of the external members in Boards in Europe involves four main models. The first model consists of universities that are free to decide the external members. In the second model, external members are recommended by the HEI but then approved by an external authority. In the third model half of the members are appointed by the HEI and the remaining half by an external authority. In the fourth model an external authority decides who will be the external members (Pruvot & Estermann, 2017). Malta's model is based on the fourth type since the choice of the external members is made at the highest level of the central government. The inclusion of external members is also imposed on HEIs through the Education Act. The members of MCAST's Board of Governors are all appointed by the Minister for Education while the UM's Council members are appointed by the Minister for Education following consultation with the Office of the Prime Minister. In the UK, lay members are appointed in accordance to the Universities' statutes, therefore their decision-making powers are limited by legislation (DERA, 2020). External members who are appointed by an external authority or, as in Malta's case, by the central government do take part in the Rector's selection and are then integrated in the decision-making processes of HEIs.

Malta's HEIs have the authority to create academic structures and legal entities, although these are also influenced by the central government. Unlike Croatia, Luxembourg, Slovenia and Slovakia (Pruvot & Estermann, 2017) there is no legal obligation to list all the academic units. However, contrary to the Swedish model, which leaves the academic governing arrangements in the hands of Universities, the Education Act (Cap. 327, Part VII, 1988: 43) specifies that UM shall have faculty boards while MCAST's institutes are organised within the University College. This legal requirement limits the ability of UM and MCAST to re-organise their structures at the highest level but they have the flexibility to effect the necessary structural reengineering. MCAST created the foundation, technical and university colleges in 2015 and then reverted to the traditional structure in 2019. The structural transformation was implemented through consultation with the government but MCAST's Board of Governors had sufficient autonomy to take the decisions (MGB02). Both

UM and MCAST have also created commercial arms. As an example, UM's Malta University Holding Company (MUHC) was created to deliver short courses, organise events, to coordinate research activities and sell merchandise (MUHC, 2020).

The financial institutional autonomy is the second assessment category. Sufficient financial means sustain HEIs investment in quality assurance mechanisms, building their own structures and attracting competent staff. Financial management has two facets: one side is the revenue side of the institutions including public funding, the ability to own buildings and to charge tuition fees. The other side is the authority and capacity of HEIs to create institutional performance-based funding in order to use the income generated efficiently and direct it towards specific performance targets such as increasing education attainment, business collaboration and research initiatives. This can be termed as the expenditure side of financial management.

Table 4.3 reveals that Maltese HEIs enjoy partial autonomy on all but two financial indicators. Institutions enjoy limited financial autonomy due to the heavy reliance on government funding. This scenario is comparable to Scandinavian countries like Denmark and Norway which registered an average 90% public financial reliance in 2014. On the other hand, in the UK, only 40% of HEIs' income came from public funding while the remaining funds were generated through student contributions (tuition and administrative fees) and additional funding. The Netherlands and Ireland also registered a relatively low reliance (60%) on public funding (Pruvot, Claeys-Kulik & Estermann, 2015). There is also no autonomy for Maltese HEIs to borrow money from financial institutions since they are allocated an annual budget that is disbursed in quarterly tranches. Annual budgeting puts HEIs in a straitjacket and leaves little room for long-term financial planning. The Maltese government intends to embark on a three-year business planning cycle. This has been mooted since 2016 but did not materialise, although such a longer-term financial horizon would provide leverage to HEIs to borrow money (UMAB01).

The other four financial indicators represent a scenario of partial institutional autonomy. Both UM and MCAST registered a marginal surplus in 2015. When compared to the total income generated by each institution, UM registered a 0.3% surplus while MCAST recorded a 0.7% surplus. The ability to register a surplus is significant since it provides some flexibility to invest in performance initiatives. Nevertheless, the point of departure is that most of the income is derived

from public sources rather than being internally generated. As soon as public funding is in jeopardy, the ability of HEIs to register a surplus is weakened.

Partial institutional autonomy is also evident in the ability to own buildings since these are financed either by a specific financial injection from the central government or through EU funds, and in the ability to charge fees given that these have to be negotiated with MEDE before EU and non-EU fees are published as a legal notice (University Fees Regulations, Subsidiary Legislation 327.177, 2008). Significant developments occurred in UM's land ownership when the University acquired the ownership of one of its main campuses, Valletta Campus, through a memorandum of understanding with the central government (Times of Malta, 2016). MCAST is planning to follow suit by requesting the government to own its new campus when it is built in its entirety (MCBG03).

Human resource issues are analysed in Chapter 6. For the purposes of this chapter, it is sufficient to say that, in addition to internal human resources practices that include performance management programmes and participatory mechanisms, HEIs require autonomy to decide on recruitment, salaries, dismissals and promotions. Lack of autonomy jeopardises efforts to attract the best talent.

Malta's HEIs enjoy considerable autonomy in their recruitment and promotion practices. Unlike some European counterparts, such as Croatia, Hungary and Poland, they are not required to recruit staff following approval by an external agency. In the mentioned three countries, senior staff is approved by an external body. In France, promotion quotas are imposed by the state (Privot & Estermann, 2017).

Despite the autonomy of Maltese HEIs in recruitment and promotion procedures, the lack of transparency in publishing candidates' scores raise suspicions about government intrusion. Government's intrusion is possible through two ways: first, through formal boards or committees, since recruitment decisions have to be approved by Council in the case of UM and the Governing Board in the case of MCAST. The majority of Council and Governing Board members represent the central government. The second way is through informal pressures from MEDE and through the government's advisors. A government advisor, representing MEDE, was appointed in 2013 to focus specifically on UM. The role of the advisor is to sit on University boards and committees, including selection boards. This central government appointment reflects the national pattern to monitor all

institutions in a way that is often perceived as crude intrusion, rather than as an element of an appropriate system of checks and balances.

Institutional authority to determine staff salaries is hindered through the negotiation of a collective agreement with the Ministries of Finance and Education and with trade unions. The level of salaries is subsequently defined within a budgetary framework that has to be agreed with the central government. The influence of unions on institutions is enormous. MCAST's dispute with the Malta Union of Teachers (MUT) in 2019 regarding the lecturers' collective agreement has blurred the college image and all the efforts that were being directed towards restructuring was overshadowed by the industrial dispute (MCBG02).

Therefore, as with the majority of European countries and others, Maltese HEIs have partial autonomy in determining compensation. Similar to models adopted in Latvia, Brazil, Germany, Malaysia and Saudi Arabia, the salary bands of administrative staff are consistent with the general public service levels (Altbach, Reisberg and Pacheco, 2016 & Pruvot and Estermann, 2017) even though the salary levels are governed by a specific MCAST or UM collective agreement. The practice of aligning salaries with public service bands is limited only to administrative staff. UM academics enjoy a separate collective agreement and salaries are substantially higher than the civil service grades.

The government's influence is also manifested in the dismissal of staff, most often through pressures stemming from government ministries, either formally or informally. As in many European states, such as the Netherlands, Croatia, France, Hungary, Iceland, Italy and Norway, specific regulations guide HEIs in their decisions to dismiss staff (Pruvot and Estermann, 2017). In the Maltese scenario, explicit regulations are detailed in the staff collective agreements. The UM collective agreements for both administrative and academic staff highlight the different levels of disciplinary action including a dismissal that can be initiated by the institutions against the employee depending on the gravity of the offence. Despite these clear guidelines, institutions experience pressures from central government to reverse a particular decision or to find alternative employment within the institution. This is evident either through the parliamentary questions that are put forward by members of parliament, through the members representing the government on the Council, Senate and Board of

Governance and through central units within the Office of the Prime Minister (OPM) such as People and Standards Division.

The choice, quality and attractiveness of the programmes on offer is an important determinant of two crucial indicators: the number of programmes offered, and the number of students registered. Malta's HEIs have considerable autonomy in the introduction, withdrawal and design of academic programmes. Nevertheless, there were instances of government intervention in support of academic fields that supply markets such as maritime affairs, artificial intelligence and blockchain. This phenomenon was during UM's Rector's strategy meeting (UMRS01). The Maltese government's influence also served as a catalyst to bring together MCAST and UM in the delivery of early childhood and health sciences courses. However, the general notion is that HEIs have the necessary autonomy to offer hundreds of courses, unlike Estonia, Finland, Iceland and Flanders where the state pre-determines the fields of study (Privot & Estermann, 2017). The difference between UM and MCAST is that while the University is a self-accredited institution, MCAST requires NCFHE's approval to offer a programme. With regards to the language of instruction, HEIs do not have any autonomy since English is one of the official languages in Malta.

Maltese HEIs also enjoy significant freedom in setting student numbers. The authority to decide on student numbers is similar to the United Kingdom, Italy, Luxembourg, Sweden, Norway, Ireland and Estonia. Countries such as Denmark restrict access to programmes which have weak employability while in Austria restrictions have been in place since 2010. In Serbia, student numbers are exclusively decided by the state. The most important autonomy variable is the admissions process. The greater the ability of Malta's HEIs to admit students in terms of the admissions regulations and courses bye-laws, the more they are able to determine the student numbers. There are pressures on institutions, especially the UM, to lighten their admissions regulations and to move from an admission to a recruitment model where students are assessed during the course rather than before joining (UMAB01).

In many EUA countries it is not common that HEIs have the freedom to decide to select quality assurance mechanisms. External quality audits, as explained in the coming section of this chapter, are prescribed by NCFHE. Both UM and MCAST could prescribe an audit by a foreign accreditation institution for a specific programme of study but the financial feasibility and timing would be

seriously jeopardised. Therefore, the tendency is to either have a self-accreditation mechanism as is the case for the UM or to rely on NCFHE (MCAST).

4.6. Towards a dynamic multi-agency governance model

Modern higher education governing structures are engaged in what Kenis (2016) defines as ‘collaborative governance’. Collaborative governance is a complex, dynamic, fluid co-ordinated system of institutions responding to societal needs and to contextual developments (Hunt, 2011) to shape national higher education systems. In practice, collaborative governance results in continuous networking through various means such as information exchange and the exchange of resources (Kenis, 2016).

However, the configuration of higher education players challenges the idea of a ‘lone co-ordinator’: ‘network steering’, ‘quasi-markets’, ‘new public management’ and ‘interactive governance’ appear to be more accurate representations of governance in this field (Quoted in Huisman, 2009: 2). The network also underscores the importance of understanding structural dynamics at national level, especially with regard to the interaction of national agencies and how they influence the management and performance of HEIs.

Figure 4.3 - A dynamic multi-level higher education governing model



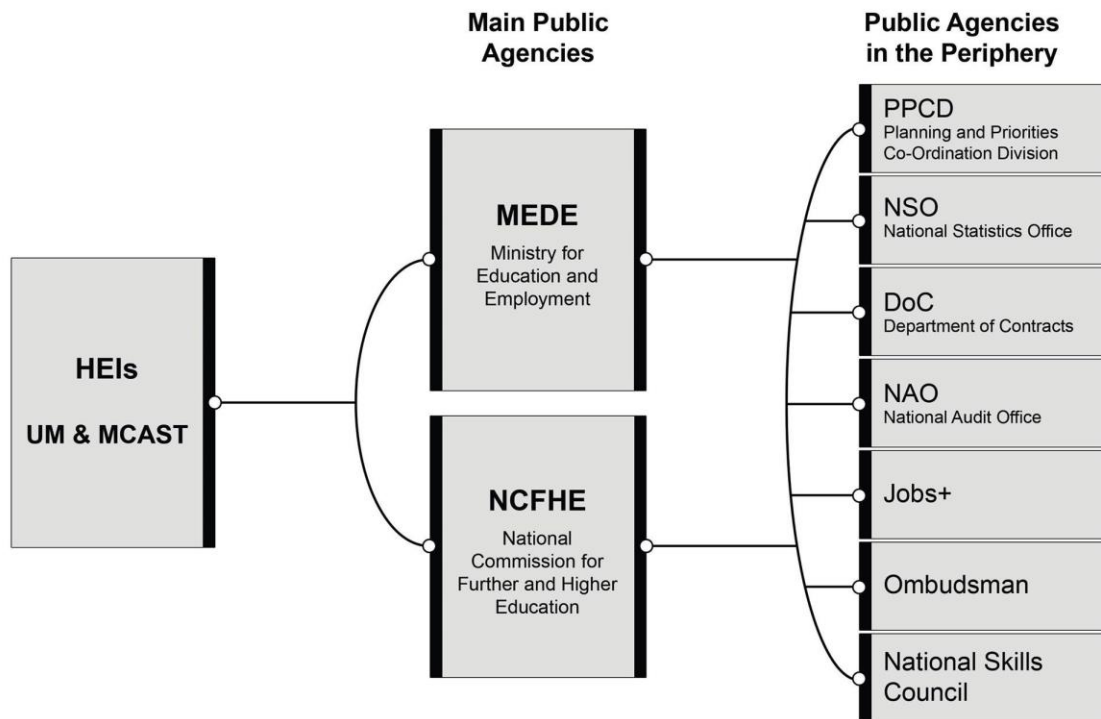
Author: Colin Borg (2020)

Figure 4.3 presents a dynamic multi-level governance model that encapsulates a network of external players. The model shows that HEIs do not only interact with the central government but also with an array of state institutions, local and regional governments, civil society, international organisations and the general public. This model, developed by the author, is analysed within Malta's higher education context by assessing three dimensions: policy, strategy, quality assurance and resources.

In all dimensions, the most prominently interacting national players of Malta's higher education are the Ministry for Education and Employment (MEDE) and the National Commission for Further and Higher Education (NCFHE). Although separate institutions, the influence exerted by both MEDE

and NCFHE on higher education is inter-connected. Other important state institutions are presented in Figure 4.4. The areas of public co-ordination extend from EU funding to employment, strategy and policy. The areas of collaboration are multifaceted since they could be perceived as assisting HEIs in their intended performance, but they could also be a watchdog and perceived as inhibiting HEIs.

Figure 4.4 - A list of Malta's Public bodies that play a role in higher education performance



Author: Colin Borg (2020)

4.6.1 National policy and strategy

The first dimension assessed in this dynamic multi-level governance model is the national policy and strategy sphere. Malta's Higher Education Strategy that was published in 2014 is an example of a collaborative exercise between several entities that played a part in shaping Malta's higher education performance direction from a policy and a strategic perspective. Although traditionally, policies on a national level are crafted by MEDE, the strategic document was written by two entities: MEDE and NCFHE, with the assistance of a steering group that included representatives from UM,

MCAST and the Employment and Training Corporation (ETC). The idea of involving Jobs+ agency, a state entity that monitors the Maltese labour market and the levels of employment, was to emphasise the national higher education indicators within a labour market perspective. From 2013, the education portfolio has been amalgamated with the employment portfolio in an effort to achieve better results from an employment perspective. The government's vision is that a knowledge society demands a strong link between high-level educational attainment and highly skilled professional careers. This political stance reflects a major objective of governance, that of rendering higher education 'more relevant' to society and economy (Hénard & Mitterle, 2009).

Appendix I, Table 1 presents a comprehensive list of performance actions that were recommended through Malta's Higher Education strategy. The main themes of the performance actions extend from increasing participation and attainment, reducing gender differences, increasing the relevance of higher education and strengthening innovative content and programme design. The table reveals the extent of NCFHE and MEDE influence on national performance initiatives which eventually cascade into institutional targets.

The state's influence on the performance of HEIs is complemented by efforts from organised groups within civil society and unorganised groups such as the general public. As an example, changes to the UM admissions regulations were a result of the long-standing pressure exerted on the University from autism and dyslexia organisations. The ultimate policy output was that applicants having an intellectual impairment now have the possibility of joining the University (UMSN03). Furthermore, the general public was part of extensive consultation process in both the Higher Education Strategy and the green paper for the new University Act. In both instances, the general public had the opportunity to send ideas and suggestions through direct means of communication without any need of representation.

The policy and strategic efforts of HEIs are not only influenced by the boundaries of the state. On an international level, a number of associations exist that in may condition to different degrees, the policy and strategic efforts of local HEIs. These associations include *Agence universitaire de la Francophonie*, Association of the Carpathian Region Universities, Danube Rectors' Conference, Network of Universities from the Capitals of Europe and Rectors' Conference of the Alps Adriatic Universities (European Commission, 2008: 27). Malta does not belong to the Network of

Universities from the Capitals of Europe which consists of 46 members (UNICA, 2015) but is a member of the Association of Commonwealth Universities (2015) and of the European Universities Association (EUA).

A practical strategic international policy influence on the UM is the decision to set up a new Doctoral School for the first time in 2017. The UM is part of the Council for Doctoral Education (CDE) of the EUA where discussions take place on the strategic future of doctoral education. The European Higher Education Area (EHEA) and the Bologna Process are examples of multi-level governance that had a significant strategic influence on the deliverables of HEIs, especially on mobility, quality assurance standards, the design of academic programmes, joint programmes and degrees, recognition of prior learning, employability of graduates and structural reforms (MEDE, 2017). A very recent national strategic development that was conditioned by international influences was the signing of a memorandum of understanding between MEDE and multi-national company Virtual Machine to introduce blockchain certification. Three institutions are involved in this multi-level technological initiative: MCAST, ITS and NCFHE. Malta became the first nation to launch a pilot initiative in using blockchain technology to issue higher education certificates. This digital revolution will essentially entail that HEIs can share and access certification without the existing red tape through this digital wallet (Times of Malta, 2017).

4.6.2 Quality Assurance

The quality assurance perspective also shows a dynamic multi-level governance approach that involves a network of state agencies and international institutions. At a national level, as is the case in most European countries, an independent body is responsible for ensuring standards and quality assurance with the ultimate aim of improving the quality of education and research delivered in higher education institutions. In Malta, at a national level, such a role is entrusted to the NCFHE. At an international level, international institutions are involved in quality assurance either through specific audits on courses or through the appointment of external examiners before undergraduate and postgraduate students are awarded a degree. This entails that HEIs are assessed by hundreds of foreign higher education counterparts every year.

The contribution of NCFHE vis-à-vis the performance of HEIs especially from a quality assurance perspective, was crystallised in 2015 when an External Quality Assurance (EQA) Audit was conducted at both UM and MCAST. Following the initial external audit, a follow-up procedure was developed in 2016 which essentially meant that NCFHE quality checks are on a continuous basis rather than a one-off exercise. In fact, HEIs are required to submit another self-assessment report within two years from the follow-up report.

As can be observed in Appendix I, Table 2, the UM's institutional external quality assurance conducted by NCFHE involved a mix of strategic performance initiatives, institutional performance processes and students' experiences. The comprehensive list of performance-led initiatives shows the extensive influence of NCFHE on the UM's *modus operandi*.

The strategic performance initiatives included: a policy for quality assurance, the articulation of roles and responsibilities for all staff, the design and approval of programmes of study with a particular focus on stakeholder involvement. The institutional performance processes involved: the development of a holistic training programme for administrative staff, the enhancement of staff mobility overseas, further investment in human resources, the consolidation of the budgetary process, the assigning of Academic Effort (AE) to teaching staff, the strengthening of governing procedures especially from a democratisation point of view, the development of a Business Intelligence (BI) system and information management by enhancing the existing student information management system (SIMS) that is used for students and Agresso Business World Enterprise Tool used for staff. The student performance initiatives embraced: new modes of teaching and learning, the setting up of a new Teaching and Learning Support Unit, the consolidation of Turnitin software use, the formulation of a policy for the Recognition and Accreditation of Higher Learning, the provision of scholarships and bursaries, the idea of asking students why they are withdrawing from a particular course and the periodic review of programmes.

Other state institutions such as the Ombudsman and the National Statistics Office (NSO) influence quality assurance through redress and performance appraisal.

Table 4.4: Number of Ombudsman cases by Institution

Institutions/Year	2014	2015	2016	2017	2018
University of Malta	43	41	35	22	24
MCAST	7	6	11	6	10

Data extracted from the annual report 2016 and 2018 of Malta's Parliamentary Ombudsman

Table 4.4 reflects the number of Ombudsman cases in the space of five years from 2014 to 2018. The total number of cases during this period totalled 205. The influence of the Ombudsman on HEIs stems from the fact that decisions by the Ombudsman are subsequently reported at a Parliamentary level and therefore institutions are bound to change their position or to refine a particular policy. Table 4.5 provides a summary of the nature of complaints. Issues concern unfair marking, special needs accessibility, lack of information and discriminatory practices versus students and staff. The last is the most common complaint with a rate that reached 81% of all total complaints in 2018 (Parliamentary Ombudsman, 2016 & 2018).

Table 4.5: Nature of complaints raised through the Ombudsman

Nature of complaint	2016	2017	2018
Unfair marking of academic work	7 (12%)	3 (8%)	-
Special needs not catered for	-	4 (10%)	2 (4 %)
Promotion denied unfairly	12 (20%)	6 (15%)	6 (11%)
Unfair discriminatory treatment	34 (58%)	24 (61%)	44 (81%)
Lack of information	6 (10%)	1 (3%)	2 (4%)
Own initiative	-	1 (3%)	-

Data extracted from the 2018 Annual Report of Malta's Parliamentary Ombudsman

The gathering of quality assurance data and the indirect influence of setting indicators and performance targets also involves multi-level agency involvement. Taking UM as an example, data is most often requested from the NSO in collaboration with NCFHE in order to be published in national reports and for international ranking exercises such as U-Multirank. The requested data concerns enrolled students, financial estimates of the courses, graduate statistics and intake applicant

statistics. This exercise provides an opportunity for a win-win situation since statistics that are published on a national scale are then used by HEIs as the foundation for a future performance indicators scorecard. Statistical retrieval instilled a culture of basing decisions on evidence, evaluation and monitoring. In almost all UM Senate and MCAST Board of Governors meetings statistical data was discussed (UMSN01-06 & MCBG01-03). Data requests by public agencies also made HEIs aware of the importance of investing in reliable student information management systems in order to have a structured, multifaceted, comparable, accurate and timely scoreboard of data (Martin & Sauvageot, 2008).

Intake applicant statistics provide a fundamental barometer for institutions to compare their students' intake in a variety of courses and areas across a number of years. Data is analysed across five or ten years and is eventually compared to performances achieved by other public HEIs. The importance of admissions data is crucial for HEIs to decide on whether to invest in a particular programme in the proposed academic area. Enrolled student data, when compared with course fees, provides a basis for HEIs to review the performance of the faculties or institutes in terms of financial accomplishment and student/staff ratios. Enrolled student data, when compared with graduate statistics, provides a more holistic perspective on the ability of faculties and institutes to retain students and therefore avoid high withdrawal rates. This performance indicator guides central administrative units in deciding on the appointment of new staff.

4.6.3 Resources

The availability of resources is the third dimension that manifests an elaborate stakeholder involvement. The dynamicity of resources manifests itself in so many different kinds of financial tranches to institutions: cluster funding, project funding as well as direct government budgetary allocation (UMST03). HEIs have to deal with state institutions, the civil society and their counterparts in order to raise the necessary resources that are fundamentally important to achieve performance targets. From a central government perspective, HEIs finance their day-to-day operations through the annual budgetary requirements that are made available by the Ministry of Finance (MFIN) in collaboration with the MEDE. HEIs are increasingly topping their financial assistance either through EU financial resources that are managed by a central authority, the Planning and Priorities Co-ordination Division (PPCD) within the Parliamentary Secretariat for EU Funds

and Social Dialogue or through collaborative arrangements with business organisations and by agreeing to co-operate with other higher education institutions.

Table 4.6: Number of UM collaborative involvements

Year	2011	2012	2013	2014	2015	2016
University of Malta	93	138	158	198	262	256

Author: Colin Borg (2020) - Data collected from the Legal Office of the University of Malta

Table 4.6 shows the extent of UM’s collaborative arrangements with state institutions and the civil society, which arrangements were intended mainly to either share or tap resources. In a period of six years the number of agreements with external stakeholders, mainly with international foreign universities, business organisations and private individuals, almost tripled. In 2011, the number stood at 93 and increased to 256 in the year 2016.

The availability of public funds also necessitates scrutiny by state watchdogs to ensure fair, transparent, efficient and effective use of resources. Public HEIs are subject to the scrutiny of the National Audit Office (NAO) with regard to the financial expenditure and the Department of Contracts (DoC) in relation to procurement procedures. In addition to the state’s watchdogs, HEIs appoint reputable private organisations to audit their accounts and to conduct a business analysis.

4.7 The challenges of a dynamic multi-level governance model for performance

The dynamic multi-level higher education governing model shows that higher education national structures exhibit symptoms of complexity and ambiguity that are similar to the public service (van Dooren & Thijs, 2010). Higher education national systems are made up of several sub-units that lead to significant organisational complexities and challenges. Having such a large number of sub-units makes it difficult to achieve collective action and subsequently national objectives. Yet, at the same time, the multiplicity of units and the presence of solid networks permits extensive, and frequently ambitious collective action.

First, the different units or interest groups (e.g. the general public and the business community) tend to have different performance objectives, which in van Dooren’s and Thijs’s (2010) terms leads to

indeterminate objective functions. Second, even if the departments or sub-units have the same objectives, they might have different needs and costs. The consultation process on the new University Act revealed the policy and strategic differences that exist between different agencies, in this case between the central government, MEDE and UM, which differences are not easy to reconcile. UM academic staff questioned the need to have stakeholder involvement in the design of academic programmes and feared that large business organisations could indeed be a threat to their academic autonomy if such concepts are realised into a legislative act (UMSN01). Third, having so many different agencies could lead to ineffective consultation and collaboration. In many instances it is a challenge to rope in all the stakeholders. It could lead to policy or regulatory failures. What counts in a network is, first, the distribution of power among the different players; second, the incentives to engage in joint decision-making or initiatives and third, the durability of the inter-relationships. A practical example of the lack of effective consultation was UMASA's (the association that represents the UM Academic Staff) communication that was sent to Malta's Prime Minister in January 2016 to highlight the lack of consultation vis-à-vis the University Act (Malta Independent, 2017). This issue was also put forward during the consultation process to appoint a new UM Rector (OPMR01 & OPMR02). The green paper concerning the University Act was published in April 2017 and all stakeholders were given the opportunity to submit their feedback. However, the criticism was that consultation was being done in a formal, robotic and reactive manner. In an ideal scenario, stakeholders would have been involved in the crafting of policies and strategies from the start. Lack of effective consultation led to lack of clarity to communicate important objectives of the new University Act such as the proposed new governing structures. New structures could be a determining factor to attain performance indicators. The proposed new governing structures, especially the creation of a new executive board to serve as a high-level decision-making body was perceived as hindering the existing democratic structures in the form of Council and Senate (UMSN01).

Another significant challenge that stems from a dynamic multi-level higher education governing model is the central-local and inter-governmental collaboration dilemma that is encountered from both a financial and knowledge perspective. Heavy reliance on the central government budget may inhibit the attainment of performance objectives. Excessive reliance on central government funding is risky and could lead to severe repercussions if the national funding mechanism is altered.

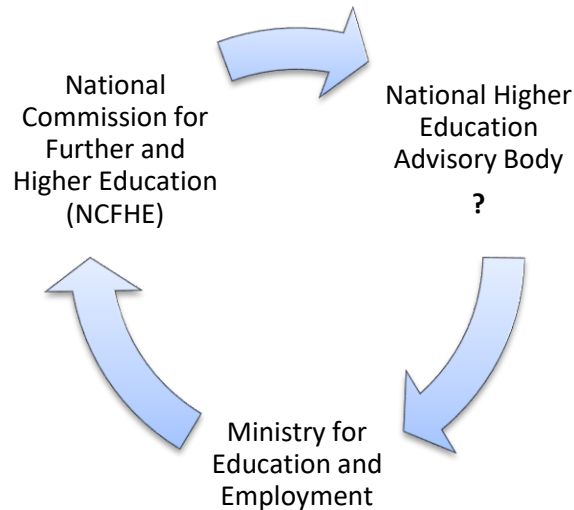
The effective use of performance indicators has to be complemented by a horizontal approach rather than a top-down vertical decision-making model. This means that the decisions taken by the state's national and central authorities are to reflect the sub-national and local needs of the institutions and of the stakeholders. This is a challenge since it is difficult for the central government to have the necessary knowledge of, and sensitivity to the local context. The reality that Council members appointed by government showed they did not have the necessary knowledge and sensitivity to the local context during their participation in Council meetings was evident in the manner in which Council meetings proceeded. There was a clear difficulty for Council members representing the Government to understand the *modus operandi* of the University (UMCN01). At Senate meetings, Deans asked frequently for an explanation and an interpretation of the regulations (UMSN03). This was also the case in MCAST Board of Governors meetings where, at the beginning of each meeting, there was extensive and excessive focus in understanding well the minutes (MCBG01-03). These experiences indicate that, as is the practice in UK HEIs, lay members are to be provided with induction training so that they can understand how the institutions function (Leadership Foundation, 2017). Despite the introduction of an extensive in-house training programme at UM, analysed in Chapter 6, no training is yet provided to lay members. Guidelines on how the governing boards function are also absent. Lay members are just referred to the Education Act without being given any guidance on what to expect from the highest decision-making body (UMCO2 & MCBOG1).

On the other hand, the input of central authorities is important given that they are positioned to be able to combine information from multiple avenues not only at a national level but also at multi-governance level. The need for an effective link between the central and the local entities was mentioned frequently in the UM observation sessions: in the application processes (UMSN02), in managing research integrity (UMSN04), in appointing academics for an honorary degree (UMSN04), in student feedback (UMSN05), in marketing courses including the design of prospectuses (UMSN05) and in designing University guidelines (UMSN06).

There are aspects of essential importance in the state-institutional relationship that are either difficult to decipher or unquantifiable. Such a challenge is highlighted in what is termed the bounded rationality state-agency model (Ahmad, 2013). In practice, information asymmetries relate to the lack of information and lead the state to being unable to monitor and control the behaviour of HEIs. Information asymmetries also result in difficulties in monitoring effectively human resources

mechanisms which includes the appointment of new staff, funding methods and the interpretation of regulations (Ahmad, 2013). The issue of bounded rationality as well as lack of available and accurate data is discussed at a greater depth in Chapters 6, 7, 8 and 9.

Figure 4.5: Malta's Higher Education System at a National Level – the crucial state players



Author: Colin Borg (2020)

The more stakeholders are involved in a shared governance approach, the more pressing becomes the aspect of cohesion. Figure 4.5 illustrates the question whether Malta's higher education system should have a national structure that co-ordinates the efforts of stakeholders. Most European countries have a Higher Education Advisory Board, Council or Committee that is entrusted to advise the Ministry for Education on higher education policy matters. Only a few countries such as France, Romania, Greece, Iceland and Finland do not make use of such a board. On the other hand, worth noting is that only 11 countries have an advisory or supervisory board composed of members who are external to the higher education institutions (European Commission, 2008).

The argument in favour of a central coordinating structure is that it could perhaps address the difficulties of complexity and ambiguity highlighted in this model. Svara (2001) explains the danger of dichotomy which is translated into two different and divisive spheres of work within the same work environment rather than continuous interaction. Such an undesirable outcome can be observed in the absence of a co-ordinated body which, if in existence, could bring all higher education key

players working in a complementary manner. Svava (2001: 179 - 180) highlights the main elements of complementarity that include ongoing interaction and reciprocal influence. The end objective is that separate parts come together in a mutual way. The advisory board could also provide advice to national policy-makers after gathering data from the European counterparts. In addition to advice on strategy and direction, an advisory board provides direction on finance and cost-effectiveness of HEIs (European Commission, 2008).

However, this new structure could incline the entire system to revert to a centralised 'state/agency' model. Therefore, the counter-argument is that while coordination of a network is necessary and desirable, it can be undertaken by governance arrangements that do not involve a single locus of decision-making or initiative. To the contrary an added structure risks replicating the work carried out by MEDE and NCFHE. In fact, the functions of NCFHE do cover some of the duties normally undertaken by the Higher Education Advisory Board. In fact, one of the main functions of the Commission is to recommend policies related to both the education and financial domains in order to address sustainability issues not only with regard to how higher education will be financed but also in relation to building the necessary structures to provide effective guidance to students when it comes to their educational pathways and with regards to research, innovation and knowledge transfer.

4.8 The involvement of lay members in governance and management

It is necessary to study the role of lay members in the governance of higher education institutions, as they form a majority in most post-1992 UK HEIs governing bodies (Leadership Foundation, 2017) as well as Sweden, Australia, Denmark, Norway (Fielden, 2010). Malta's practice is consistent with this pattern, as external membership accounts for 51% of UM's Council and around 80% of MCAST's Board.

This section discusses the lay members' involvement in institutional governance and management. In parallel with external bodies, lay members provide some notable advantages to the governance and management of HEIs. There are also concerns regarding the composition and participation of lay members in governance, especially in the context of a small state.

4.8.1 Recruiting external members on governing boards

How external members are recruited on governing boards varies across different countries but comparisons and experiences can be drawn.

The arguments cited in favour of external stakeholder representatives on governing bodies highlight the advantage of having a mix of internal and external board members that results in a better-informed governing body (Kretek, Dragsic and Kehm, 2012). Furthermore, a majority of external members brings the weighty influence of independent experts to decision-making (Shattock, 2010) whose frame of mind is unaffected by the institutional culture and *modus operandi*. On the other hand, small states experience the challenge of dominance by the Government, since the government-appointed lay members are not really independent but may indeed be government agents, especially in a highly partisan cultures such as Malta's. Furthermore, the overlapping roles and intimate personal networks of small-scale societies not infrequently subvert formal decision-making processes. Consequently, decisions are not necessarily taken in the institutional interest but rather to promote private or partisan agendas (Collins & Warrington, 1997).

This challenge raises another issue: how members are appointed. Appointments to public governing bodies have been considered in Fielden's (2010) terms as the 'Crown Jewel of the Public Service', prestigious though unpaid. In several European HEIs, appointments on governing bodies gradually began to be made professionally, through specialised external bodies. Contrary to this practice, Malta's experience shows that the Government directly appoints all the lay members of the governing bodies. In fact, the interviewees described their appointment as initiated by the Minister responsible for Education, whose nominees were subsequently approved by the Cabinet (UMCO1, UMCO2 & MCBOG1). The Minister's private staff telephone prospective appointees, to check whether they are interested to sit on the Council (UMCO1). Therefore, no formal vetting process is conducted at Ministerial level. Despite this, all lay members expressed confidence in the nominated persons, either by citing the portfolio of experience that they bring, even at a directorship level (UMCO1) or because of the representativeness of these external members, as required by the Education Act (UMCO2 & MCBGO1).

Both UM and MCAST experience wholesale changes to the government-appointed membership of their governing bodies whenever the government changes hands. Almost all members are effectively replaced. This raises questions of continuity which is much needed when actualising a long-term vision and strategy. In 2006 and 2014, lay members were also replaced before a new Rector was elected. The rushed, abrupt changes were intended to ensure that the elected Rector reflects the government's agenda. Despite these concerns, all three lay members expressed themselves in favour of having a majority of external members on UM Council and MCAST BoG. Though possibly biased, this view is backed by cogent reasons: first, having effective checks and balances (MCBGO1) and second, ensuring effective representation of society (UMCO2). A lay member, who sits on UM Council, specified that a majority vote to take a decision was never requested in his seven years of experience and therefore he cannot see why a majority membership can be of hindrance to institutional governance (UMCO1).

4.8.2 Providing professional expert advice

A spoils system in appointments to public office carries the risk that the government dominates institutional agendas; it undermines several advantages of having lay members on governing bodies. The first is the expertise, skills and qualities that lay members bring (Leadership Foundation, 2017). In his concluding remarks regarding the changing roles of governing bodies, Fielden (2010) argued that they are comprised of people having specialist professional skills that has moved away from amateurism.

Malta's experience shows this phenomenon. The current UM Council members and MCAST Board of Governors members is a testament of the expertise that lay members could bring to the institutions: pharmaceutical industry, airline management, tourism, education, business entrepreneurship, media, theatre, financial management, insurance and regulatory affairs. Shattock (2010) provides practical cases to illustrate how several professional backgrounds can effectively help HEIs in programme design and financial management. Professional knowledge was crucial during UM Council meetings when decisions about buying or renting new buildings were taken. Advice proved to be handy several times at both Council and Board of Governors meetings to align institutional strategy with the government's strategy. In other instances, lay members provided advice on internal audit practices and procedures, in analysing financial estimates

presented for the approval of the Board, establishing staff recruitment principles within a framework of strengthening selection processes, designing an integrity policy, and in analysing space management as well as the progress achieved in the building of a new campus (in the case of MCAST).

4.8.3 Helping institutions to read the context and actualise their vision and strategy

The fulcrum of this thesis is context, strategic governance and management. Elsewhere, lay members are expected to master the science of setting of indicators that are the backbone of the strategic and operational plans (Fielden, 2010). They are ideally placed to help HEIs in being sensitive to the external environment and strategise in a proactive manner (Shattock, 2010).

In Malta, the lay members of governing bodies were instrumental in advising HEIs regarding the specific needs of certain industries such as nursing and the aeronautical industry and to establish a working relationship with external bodies (MCBG01), to keep the institutional governance up to date with external developments (UMCO1). At UM Council and MCAST's BoG meetings this invaluable assistance was a predominant feature. Lay members serve to keep a check on the institutions and to remind them that their budgets are essentially funded by public money (UMCN01). Hence, independent, resourceful internal audit offices (MCBG01 & UMCN03) are of paramount importance. External members can also provide bridges between the government and institutional management (Jongbloed, Enders & Salerno, 2008). For example, when developing an institutional internal audit charter, lay members provided guidance about the direction given by the Internal Audit Investigations Department (IAID) at the Office of the Prime Minister (OPM). The set-up of the Internal Audit Office at both institutions prompted the strategic direction of having an Internal Audit Management System that is interlinked with the Quality Assurance Offices and KPIs. Without the experience and expertise of lay members, this strategic move at both institutions would not have materialised.

Two other practical cases can be cited as evidence of the lay members' contribution at governing bodies that have an ultimate resulting influence on strategy. First, by triggering the institutional realisation of the importance of a comprehensive human resources exercise (MCBG02 & UMCN04) and second, by advising institutions when designing the new buildings at UM and the entire MCAST

campus. Lay members provided advice on the layout of teaching rooms, research labs, doctoral school hot desking, one-stop shop for student services, commercial outlets and the development of dormitories at UM, a first for Malta's higher education experience (UMCN01-04 & MCBG 01-03).

However, lay members expressed the view that if they are not well coordinated and updated at what is happening within the institutions, their influence on institutional strategy can be seriously limited and they can just become as a rubber-stamp. Therefore, they need to find a system by holding coordinative meetings between themselves if they are to present a common front rather than a fragmented view (UMCO1).

4.8.4 Serving as a check and balance while improving governance

Lay members can be a crucial source of assistance when it comes to pointing out practices that contradict principles of good governance and efficient management. Therefore, in the first instance, lay members can be considered as the 'critical friend' (Shattock, 2010) because they bring such practices to the attention of the governing body before it is eventually scrutinised formally by an external agency. Since external members are independent of the institution, they are not inhibited from speaking their minds (MCBGO1). The interviewed lay members disagreed with the suggestion that they could threaten institutional autonomy; they considered themselves crucial to ensuring excellence in governance and institutional growth.

As a practical example, the involvement of a lay member in UM's audit committee, that reports to Council, was decisive to identify financial malpractices in faculties with regard to the appointment of casual staff that help students in the practicum of medical-oriented disciplines. The cost increased by five-fold in a matter of seven years even though the number of students remained stable during this time-period and the nature of the practicum remained unaltered. If it wasn't for the intervention of the lay members and the subsequent action of the audit committee, this serious financial malpractice would have eventually been investigated by an external agency: the NAO.

In essence lay members act as counterweights to institutional power. In both UM and MCAST, lay members raised critical questions about the implementation of strategic plans, the financing of new buildings, the implementation of internal audit recommendations, the review of the annual

institutional plans including the financial statements, and the appointment of both academic and academic staff.

Lay members commented on the fact that the current Education Act is unclear regarding the role of external members and the valuable assistance provided by lay members was more based on the members' own initiative. They recommended a fuller outline of the role of external members when the institutional acts are designed. As a suggestion, it was pointed out that lay members are to be limited to a duration of two terms in order to ensure a proper cycle of external views to the institution (UMCO2).

4.9 Conclusion: Institutional structures and managerialism

Malta's higher education arena has experienced a number of significant changes which were implemented in the last twenty years but more needs to be achieved in the near future in order to strengthen the governing and managerial engine of public HEIs. This reality will soon be accelerated by the planned radical changes in the legislative framework: the Education Act of 1988 will be repealed and instead new legislation will come into force at an institutional level rather than a macro-level. Such a strategic move will certainly influence the governance of higher education in Malta. An assessment of HEIs' capacity for stronger self-governance and less external dependence would be required. If Malta's higher education governing system follows this model and greater autonomy is achieved, careful consideration would still need to be paid towards the excessive reliance of public institutions on central government funding, the direction of the Education Ministry on policy matters and the ability of creating effective coordinative mechanisms that are crucial in order to successfully govern the future higher education domain.

As was seen in Chapter 3, the current policy of liberalising Malta's higher education sector is allowing the private sector to gain momentum and acquire a higher market share. This entails adjustments by the country's public institutions to this unavoidable reality within a framework that includes numerous stakeholders. This scenario draws attention to the role played by the governing and managerial aspects of public HEIs in remaining competitive with the private sector and attaining performance targets. It also brings into the equation the role played by lay members and the extent that they can be involved in institutional governance and management.

Successful governance rests on three main managerial initiatives: first the generation of more funds at an institutional level and the optimal use of resources; second, the effective integration of staff and students into the decision-making processes without creating unnecessary overlaps and duplication of resources and third, the orientation of the institution towards closer collaboration with the outside world, the labour market, society and communities.

The coming two chapters, Chapters 5 and 6, focus on how institutional structures and managerialism are tied with national higher education systems and how these two governing and managerial facets could help HEIs achieve performance indicators.

CHAPTER 5

THE DRIVE TOWARDS MANAGERIALISM AND PERFORMANCE

5.1 Introduction: The dynamic element of governing arrangements

Complexity is a core theme that has gained considerable grip in higher education literature at the turn of the new millennium. Barnett's analysis, as early as the year 2000, warned of the age of supercomplexity, an era surrounded by change, turmoil, turbulence, risk and chaos. Barnett (2000) focused his probe on University knowledge. This chapter interlinks complexity within Malta's higher education governing framework. The theme was explored in Chapters 3 and 4. Chapter 3 demonstrated complexity in terms of diversity of programmes and initiatives, students' clientele and competition in the higher education market as a result of globalisation and massification. Chapter 4 demonstrated the complexity of collaborating with a network of agencies that involve state agencies, non-state actors and European level agencies. This chapter investigates how complexity is also found at the core of the institutional engine room.

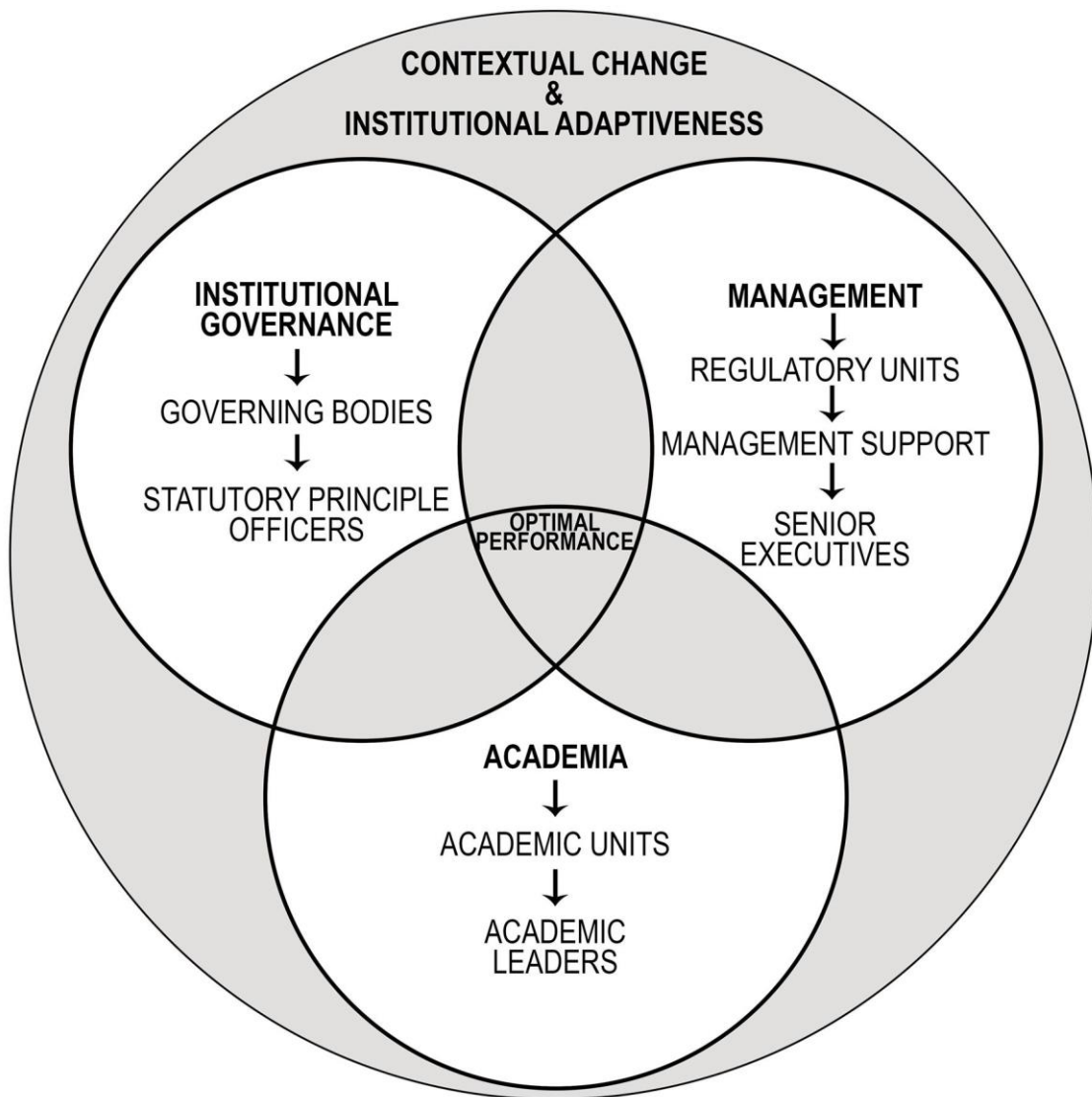
A parallel may be drawn between institutional governance and the bones and joints of a human body. Just as the functions of the bones and joints are crucial for the body to function, governance and management support are essential for HEIs to function properly in a competitive and performance-oriented environment. Analysis of institutional governance cannot be static or limited to reviewing an organisation chart. In Zgaga's (2006) terms, governing bodies and the related academic, regulatory and management support units involve a 'multidimensional space' that is related to a multitude of aspects. The managerial issues that are closely interlinked with governing bodies include decision-making (Austin and Jones, 2016), human resources management, institutional performance (Hall, 2009), power and authority.

The focus of this chapter institutional adaptiveness to the context explored in Chapter 3 from a governance perspective, and the extent of institutional isomorphism (DiMaggio and Powell, 1983) as a direct influence of managerialism. The risk of institutional homogeneity is assessed by considering one stream of the governance model proposed by De Boer, Enders and Schimank in

2007, namely the development of effective managerial hierarchies, goal-setting regimes and decision-making powers (Hénard & Mitterle, 2009: 29).

This chapter also builds on the work presented in Chapter 4. The external institutional perspective focused on the interaction between national agencies, and how they influence the management and performance of HEIs through networking. The internal institutional governance and management explored in this chapter also drives or inhibits performance.

Figure 5.1: The interconnection between institutional governance, academia, management and performance



Author: Colin Borg (2020)

This chapter demonstrates the dynamic interplay of context, institutional adaptiveness, governance, management and performance represented in Figure 5.1. The research builds on the perspectives gathered by Rowlands (2017) from Anglophone nations: USA, UK and Australia. Not surprisingly, Malta has some similarity with these nations as a British colony for almost two centuries.

To assess this model, propositions 1 and 8 set out in the research methodology chapter, are investigated.

The chapter is organised in six sections: the first introduces the link between governing structures and management; the second presents the organising concepts; the third section outlines Malta's legal framework, actual and proposed; the fourth section describes the internal organisation of the University and MCAST, including a time-line showing the progressive development of both institutions; the fifth delineates the rise of managerialism as a result of the institutional adaptation to the environment; the last section analyses the challenges arising from a complex structure .

5.2 Research methods

The chapter analyses the scholarly literature and assesses the UM's and MCAST's institutional charts. In addition to an evaluation of the institutional collective agreements and annual reports to figure out the main structural and governing changes, observation sessions were also employed, to permit an exposition of the challenges arising from complex governing arrangements.

5.3 Governance and management: organising and defining the concepts

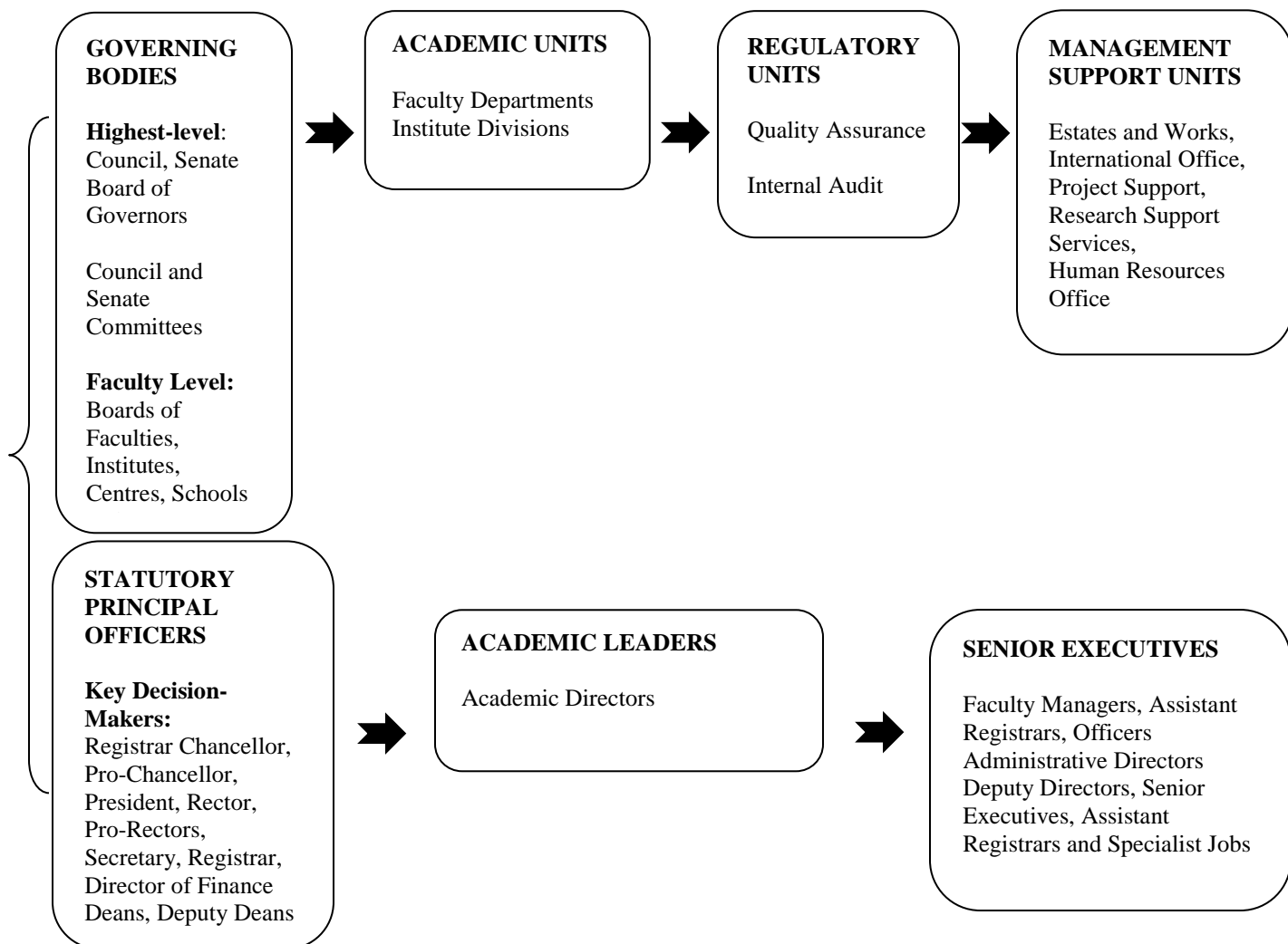
Before analysing the institutional governing and management arrangements, it is pertinent to investigate the two core concepts of 'governance' and 'management'. The governance and management elements of the institutions under study are a hierarchy comprising:

(i) *Governing Bodies* (Council, Senate, Board of Governors Council and Senate Committees and Faculty Boards),

- (ii) *Academic Units* (Departments and Centres),
- (iii) *Regulatory Units* (Quality Assurance and Internal Audit) and
- (iv) *Management Support Units* (Human Resources, International Office).

The leadership hierarchy involves *Principal Officers* (Rector, Registrar, President, Principal, Pro-Rectors, Deans and Deputy Deans), *Senior Executives* (Director HRMD, Assistant Registrars, Faculty Managers) and *Academic Leaders* (Academic Directors). Full details appear in Figure 5.2 hereunder.

Figure 5.2: A typology of the institutional governance and management arrangements



Author: Colin Borg (2020)

The typology classifies the hitherto undifferentiated governing and management arrangements, and permits the crafting of a coherent, malleable model. The institutional apparatus is not simply the

proliferation of functions and units. Rather, institutional complexity arises from the co-existence of interlocking functions (academic/administrative), undertaken by parallel structures (Senate/Council), that have overlapping jurisdictions. These three factors, taken together, account for friction within the system, hinder policy integration and operational coordination, while making integration and coordination essential. This theme is discussed in detail in the last section.

In Marginson and Considine's terms, the traditional collegial and bureaucratic governing arrangements were altered and new lines of decision-making were added throughout the decision-making processes of HEIs in the form of new key decision-makers and managerial advisory committees (quoted in Rowlands, 2017). The injection of managerialism, entrepreneurship and networking governance and hence the establishment of a team of senior executives to assist the rector and pro-rectors, and the opening of new offices to promote networking and academic enterprise led to further institutional complexity.

The *Governing Bodies* comprise the permanent structures established by the Education Act, 1988, where strategic decisions are taken at the summit of the institutional hierarchy: Council, Senate, Board of Governors. As part of the governing bodies, Faculty (UM) and Institute (MCAST) Boards go some way towards democratising decision-making. *Academic Units* include the Faculty Departments or Institute Divisions at UM. These academic units are considered as relatively temporary since their composition and functions change much more rapidly than the statutory governing bodies. Governing bodies may be created, merged or suppressed by means of an institutional decision without altering the national Education Act.

The dynamic function of faculties, institutes, centres and schools' boards is evident when they send their recommendations to the Senate and Council Committees through the Board, on all issues ranging from student matters to strategic considerations. Most decisions taken at the highest level are initiated at a faculty, institute, centre and board level through a recommendation. Academic units, boards and committees are forums for academics to voice their ideas and concerns with regards to various governing themes, consistent with the shared governing approach of the institutional design.

Governing bodies and academic units are assisted by *Regulatory Units* in the form of APQRU (at UM), Quality Assurance and Internal Audit Offices. They have a two-fold function: to assist academics in leading HEIs and to act as regulatory bodies in a way that many decisions are filtered before reaching the academic units. Decisions are evaluated by non-academics through Institutional Regulations and Bye-Laws, Standard Operating Procedures (SOPs) and Guidelines. The *Management Support Units*, such as Human Resources, Estates and Works, Project Support, Research Support Services, Project Support and Knowledge Transfer Office (KTO) have a purely managerial role and are not tied as intimately as the regulatory bodies with the academic units. They provide managerial support in matters related to human resources management, the management of offices and also funded projects.

Leadership and managerial decision-making are also elaborate. The highest-level *Statutory Principal Officers* are the University's Chancellor, who is the principal officer of the University of Malta, the Pro-Chancellor, the Rector and the five Pro-Rectors. The Pro-Chancellor is the Council's president, a body mainly responsible for the management of the university's resources such as the appointment of academic, administrative and technical staff, the university's strategic plan and financial management. The Rector presides on Senate which decides on academic matters. The Senate and Council Committees are chaired either by the Pro-Rectors or by senior members of the academic staff, in the majority of the cases by academic staff who hold the grade of Professor. Rector's Delegates are in charge of matters related to specific portfolios such as student wellness, debating union and the curation of art works. At the helm of the faculties, institutes, centres or schools are Deans and Deputy Deans.

At MCAST the principal officers of the College are the President of the Board of Governors, Principal, Deputy Principals, Registrar, Administrative Director, Heads of Institutes, Head of the Partnership Office, Librarian and Financial Controller. In addition to the statutory principal officers, *Academic Leadership* is also extended through Directors at the helm of the Institutes.

The Secretary, Registrar and several Directors representing a diverse array of portfolios (Finance, Human Resources, Communications & Marketing, Knowledge Transfer and International Students) assist the highest-ranking officials in their strategic decision-making. They are assisted administratively by Faculty Managers and in large Faculties, such as Medicine and Surgery, by a

Senior Executive. The Registrar is assisted by a team of Deputy Registrars and Assistant Registrars. All these positions form part of the *Senior Executive Stream*, except for the Secretary and the Registrar who are statutory principal officers.

This exposition reveals how complex the higher education institutions have become and how governance and management are intertwined. Governing arrangements outline the responsibilities involved, the lines of authority and how tasks are disseminated (Greenberg, 2011) amongst the resource of HEIs, that of academic, managerial and administrative staff. To probe institutional complexity further, Mintzberg (2009) argues that it is crucial that governance and management are studied from a broader, dynamic perspective especially through the ways in which people are organised and co-ordinated at all levels of the institution.

5.4 An outline of Malta's higher education legal framework: actual and proposed

5.4.1 The actual Education Act, 1988

The Education Act 1988, is the law regulating the entire education system. It stipulates the roles and functions of the Education Directorates, the role of the state in providing education (referred to in Chapter 4), the college system operating at primary and secondary levels, financial provisions, and incorporates two sections dedicated to the University of Malta (UM) and MCAST.

The sections pertaining to UM and MCAST set out the functions, powers and responsibilities of the governing bodies and the principal officers. The Act prescribes how the highest-level bodies (Senate, Council and Board of Governors) function in relation to the Faculty (UM) or Institute (MCAST) Boards. The Act also prescribes the composition of the governing bodies and determines the number of members representing the government and the institutions themselves, a matter that impacts institutional autonomy and shared governance.

5.4.2 The proposed Institutional Acts

In the last four years, from 2017 onwards, there has been a shift towards *ad hoc* institutional acts for both UM and MCAST. The rationale was to promote institutional autonomy. A specific act has the potential to clearly define the institutional *raison d'être* and promote *esprit de corps*. The governing risk is that too many acts could potentially lead to fragmentation, overlapping and losing sight of the bigger picture. Both acts are still at a proposal stage and it is still to be determined whether an umbrella general act, similar to the current Education Act, will remain operational.

Contrary to MCAST's Act the proposed UM's Act that was published for consultation process, , proposes quite distinctive governing core values and arrangements from the present Education Act. The new Act is substantially focused on governance, contrary to the Education Act that is a purely legalistic document. It is a result of different times that reflect the changes that the University is going through, a mirror image of Malta's transition. As core values, there is significant focus on 'institutional autonomy' and 'academic freedom'. The Act also emphasises the importance of 'democratisation' and 'participation' in the governing structures while ensuring 'transparency' (University Act: 3). Student interests through better governance is highlighted not only through participation but also through better tools for teaching and learning (University Act: 16). Institutional autonomy and academic freedom are emphasised in a way that the University can have the power and capacity to decide on student numbers, language of instruction, quality assurance mechanisms and the introduction of programmes of study.

The proposals concerning the modernisation of governing bodies proved to be the most controversial, as they were sharply criticised by UM academics and Senate members (OPMR01, OPMR02 & UMSN01). The proposed 'Governing Board to serve as a link between the university and civil society, and the Executive Board that focuses on strategic development in line with global trends in quality standards of higher education' (University Act, s.24) were seen as a move from the Central Government to introduce governing bodies that would inhibit the democratic process and limit the power of Faculty Boards, Council and Senate. UM academics highlighted the proposed powers of the Governing Board: that of approving the university's business plan, annual budget and academic plan. This was one of the main reasons why the proposed Act was halted and put in abeyance.

MCAST's Act is proposing changes to both governing bodies and principal officers. The Board of Governors, the Administrative Council and the Boards of Studies of the Institutes are to remain but the Partnership Office, responsible for the College bilateral agreements is no longer identified as a main governing body (MCAST Act, s.9). A new Vocational and Professional Council is proposed to assume responsibility for academic, vocational and professional education and training at the College (MCAST Act: 14). A major change in the principal officers will see a shift towards a University model of having a team of Rector and Pro-Rectors instead of the current arrangement of Principal and Deputy Principals. Institute Directors along with the Registrar are the other two categories of Principal Officers replacing the Administrative Director, Librarian and the Head of the Partnership Office. It appears, therefore, that the proposal is intended to transform MCAST from a purely vocational college to a hybrid of academic and vocational college.

5.5 An overview of Malta's public higher education institutional governing arrangements

5.5.1 Governing arrangements at the highest level

The preceding section showed that understanding higher education institutional governing and management arrangements is not a simple task given that the corresponding bodies and units extend from the high-level echelons to the lower-level ranks. Hogan (2006: 1) classifies the governance of universities from a high-level perspective into four categories:

- i. first, unicameral governance which signifies that the institution is governed by a single governing body;
- ii. second, bicameral governance which in practice means two governing bodies: a governing board and a senate or a university council having distinct and complementary roles;
- iii. third, a governing board, a senate and a university council; and
- iv. fourth, hybrid governance.

Table 5.1: Main Governing Bodies of Malta’s Public Higher Education Institutions

Malta’s Public HEIs	Governing Bodies		Governing Type
University of Malta	Senate (Rector)	Council (Pro-Chancellor)	Bicameral
MCAST	Board of Governance (President)		Unicameral

Author: Colin Borg (2020) - The designations in brackets show the highest-level official leading the institutional governing structure.

Malta’s HEIs are governed either through a unicameral or a bicameral system. As can be noticed in Table 5.1, the University of Malta is governed via a bicameral system, comprising the Council which is responsible for the general administration of the University, for managing resources and for appointing new staff, while Senate decides on academic matters. A Council that is specifically dedicated to the allocation of resources and to the scrutiny of budgetary resources is an important feature of a performing HEI. Despite the bicameral system, Council is the highest-level structural pillar of the University. On the other hand, MCAST is governed by a Board of Governors through a unicameral system of governance (Education Act, Cap. 327., 1988). This entails that any matter that requires the highest-level decision-making is considered and approved through the same channel.

Table 5.2: Institutional Governing Bodies around Europe

	Executive Head	Academic Body	Decision-making Body	Advisory/Supervisory Body
BE fr	Rector	Academic Body	Educational Management Council	Administrative Council
BE de	Director	Academic Council	Management Board	
BE nl	Rector (Executive Board)	Academic/Scientific Council	Governing Body	⊗
BG	Rector	Academic Council	General Assembly	Controlling Board
CZ (a)	Rector	Academic Senate		Board of Trustees
CZ (b)	School Head			⊗
DK	Rector	Academy Council		Board of Directors
DE (a)	Rector	University Board	Senate	Governing Board
DE (b)	Director	Conference	Dual Senate	Governing Board
EE (a)	Rector	Council		Board of Governors
EE (b)	Rector	Council		Advisory Body
IE (a)	President/ <i>Provost</i>	Academic Council	Governing Authority	
IE (b)	President/Director	Academic Council	Governing Body	
EL	Rector	Senate		⊗
ES	Rector	University Senate	Governing Council	Social Council

FR	President	Academic/Scientific Council/Council of Students and University Life	Administrative Council/Board	⊗
IT	Rector	Academic Senate		Board of Governors
CY	Rector	Senate	Council	
LV	Rector	Senate/Academic Assembly		Convention of Advisors (*)
LT	Rector	Senate/Academic Council		University/College Council
LU	Rector	University Council	Governing Council	
HU	Rector	Senate		Financial Board
MT	Chancellor; Rector	Senate	Council	⊗
NL	Rector magnificus	Executive Board		Supervisory Board/ Main Representative Advisory Board
AT (a)	Rector	Senate	University Council	
AT (b)	<i>Erhalter</i>	Collegium		Board of Trustees (*)
PL	Rector	Senate		Council (*)
PT (a)	Rector	University Senate		University Assembly
PT (b)	President	General Council		Administrative Council
RO	Rector	Senate		⊗
SI	Rector	Senate		Managerial Board/ Council of Trustees (*)
SK	Rector	Academic Senate		Board of Trustees
FI (a)	Rector	Senate		⊗
FI (b)	Rector/Maintaining Organisation	Polytechnic Board/Maintaining Organisation		⊗
SE	Vice-Chancellor	Senate	Governing Board	
UK	Vice-Chancellor	Academic Board/Senate	Governing Body/Council	Court (*)
IS	Rector	Senate		⊗
LI	Rector	Assembly/Senate	Council	
NO	Rector	Senate (*)	Board	

- Solely Internal Stakeholders Internal and external stakeholders
 Solely External Stakeholders ⊗ Body does not exist
 (*) Body is not mandatory for all Higher Education Institutions

Table extracted from the report entitled *Higher Education Governance in Europe: Policies, Structures, Funding and Academic Staff* compiled by the European Commission – Education and Culture DG (2008), p. 34 & 35.

Table 5.2 shows that most of the governing systems around Europe are bicameral and decision-making power is vested in the Senate, Council or a Governing Body. In the absolute majority of the

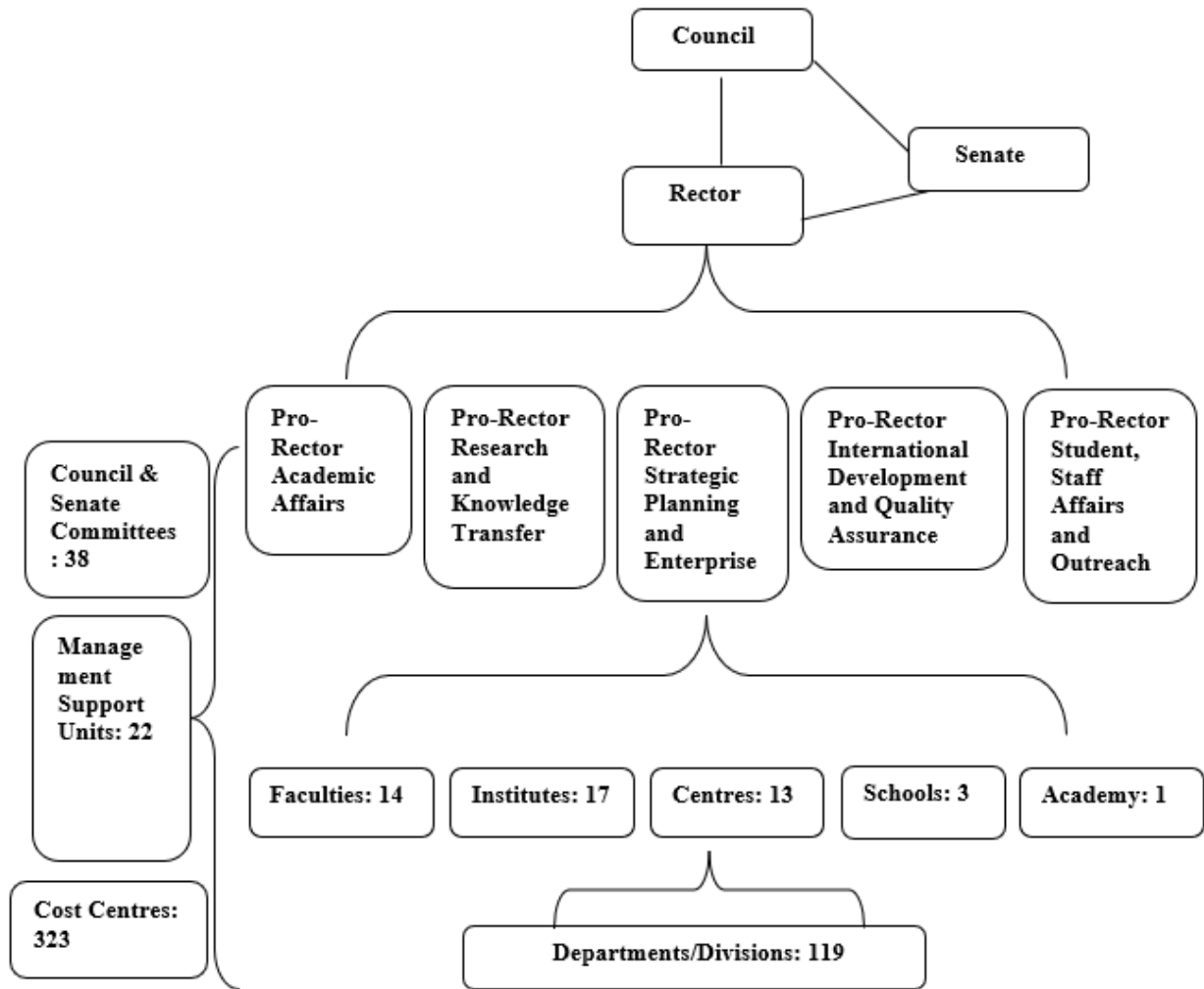
cases, the Rector is the executive head although in a few cases such power is vested in the Chancellor, Vice-Chancellor, President or Director.

5.5.2 The organisational charts

Malta's institutional charts are in line with the tradition of most foreign Universities, particularly Anglophone higher education systems, that embrace the traditional concepts of 'academic self-governance' and 'collegiality'. This means that the governing bodies are managed by academic staff, since they are expected to be sensitive to the needs of the institution, within a collegial set-up of committees such as Senate and Council (Austin & Jones, 2016: 1). The argument that a university is to be governed and managed by academic staff, especially in view of the inclusion of regulatory and management support units along the years, was extensively emphasised during the *ad hoc* Senate meeting discussing the University Act (UMSN01).

Figures 5.3 and 5.4 outline the organisation of UM and MCAST respectively, permitting comparison between the largest academic public higher education institution vis-à-vis the main vocational college. Both charts are elaborate, although UM's structure is the more complex. The prevailing organisation reflects the influence of legal arrangements, the complex higher education environment and the need to interact with the business world and the community.

Figure 5.3: The organisational chart of the University of Malta: salient bodies and units

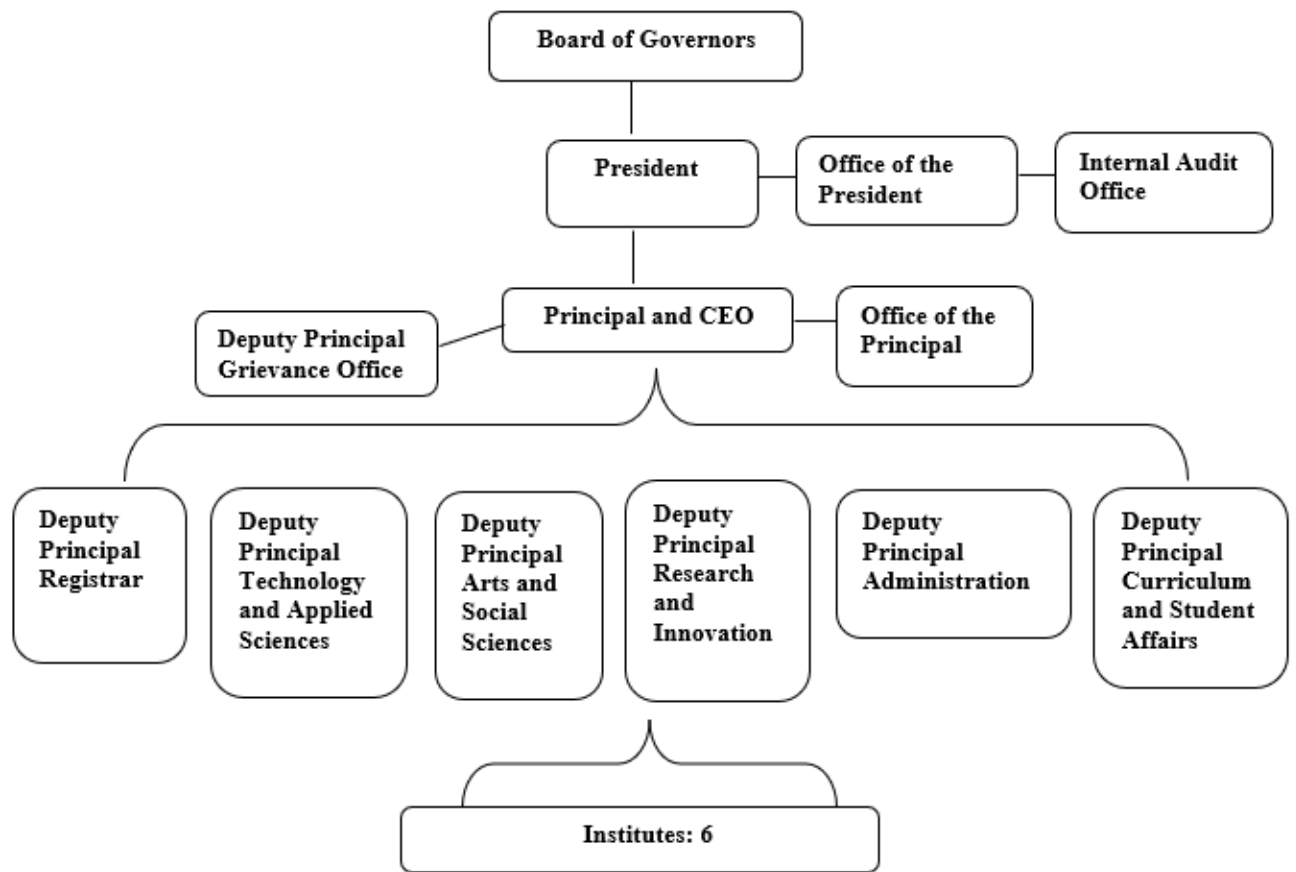


Author: Colin Borg (2020)

The University's organisation comprises 323 cost centres, 48 academic entities (faculties, institutes, centres, schools and an academy), 22 administrative support units and 36 Senate or Council Committees. These are the formal, more permanent and visible entities and do not include the overwhelming number of Faculty Boards and Committees as well as decision-makers and staff that are an essential component of an institutional governing structure.

MCAST's organisation is simpler. Six institutes are organised into three main colleges: the foundational, technical and university colleges, a move that was intended to rationalise the organisational dynamics of a growing educational institution. These colleges reflect both the nature and academic level of courses on offer and bring together all institutes.

Figure 5.4: The organisational chart of MCAST



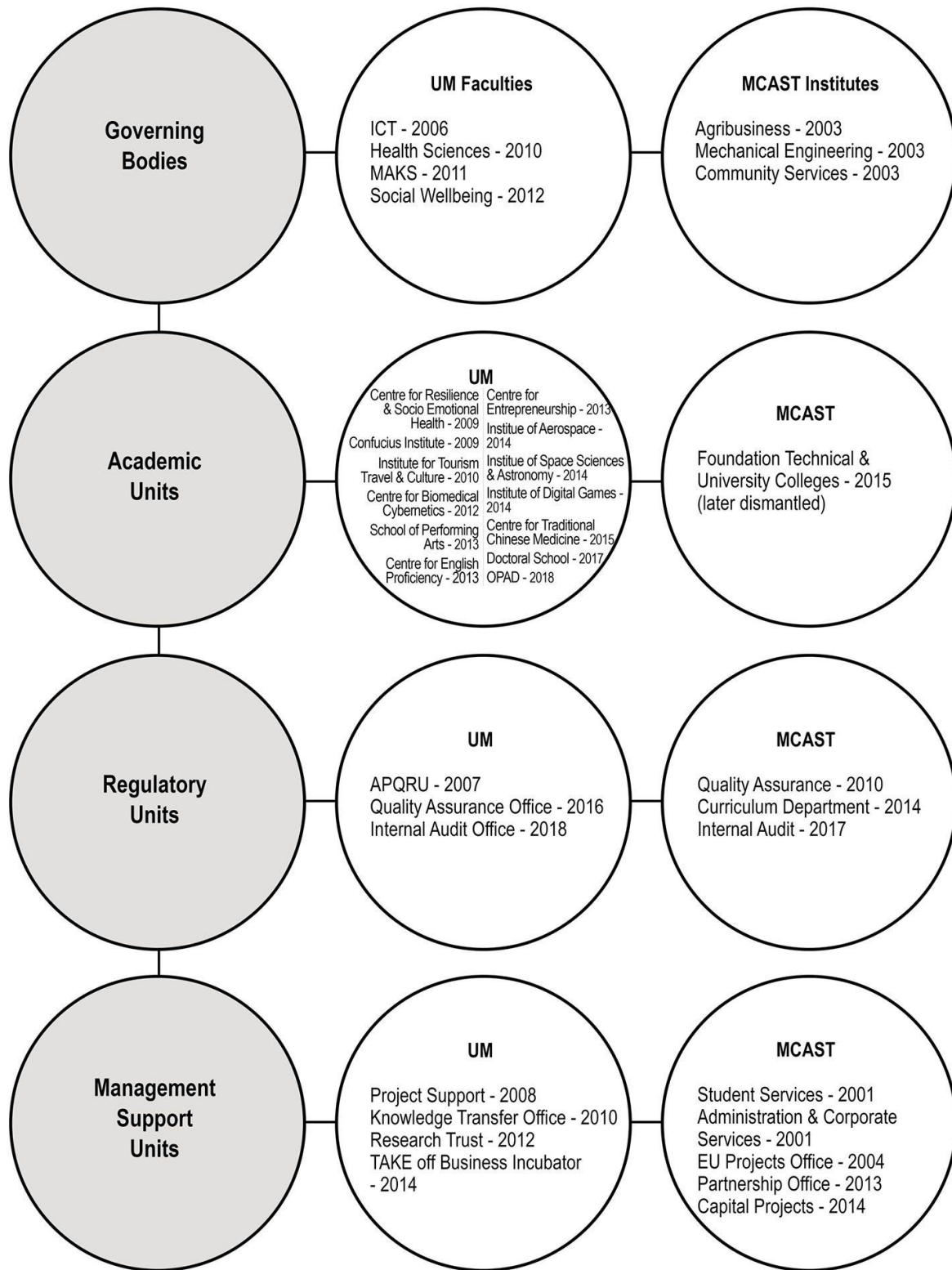
Author: Colin Borg (2020)

5.6 The adaptiveness of institutions to the external environment: the rise of managerialism

A key factor in the governance of institutions is their ability to adjust their governing arrangements and managerial engine in a manner that is geared to respond to the exigencies of the external environment. DiMaggio and Powell (1991) emphasise the ability of HEIs to synchronise institutional governance with the external environment by stressing their ability to be in tune with society, community and economy. The argument postulated at the beginning of the 1990s was that globally HEIs became in close touch with the outside world, contrary to the diffusion, decoupling and isomorphism that dominated higher education governance in the 1970s and 1980s. Consequently, HEIs are required to reinvent their structures, processes, systems and resources to respond appropriately to the external environment.

Gumpert and Sporn (1999) refer to the global 'institutional adaptation' phenomena in the same era by reviewing several theories. Their assessment mentions the changing environment and highlights international competition for funds and students, changing student demographics, new technologies and state influence as the major causes for changes in institutional structures as well as processes. The theories outlined by the authors assess the trade-off between the sensitivity to the contextual realities and structural development. The open systems theory recognises the reality that HEIs are a combination of interdependent parts or loosely coupled systems that are expected to work together even though it could lead to organised anarchies. The contingency theory emphasises the increasing complexity and consequently the role of specialised administration as paramount in serving as a buffer for the institution and to integrate the diverse units through several means. The strategic choice model stresses the importance of finding a balance between the demands stemming from the outside world as well as the governing arrangements and management processes. The resource dependence theory uncovers the institutional exposure to external sources of finance including the state. The network organisation model highlights the diverse relationships that HEIs be involved in as part of their governing engagements.

Figure 5.5: A chronology of governing bodies, academic units, regulatory units and management support units at UM and MCAST



Author: Colin Borg (2020)

Turning our attention to Malta, Figure 5.5 presents a chronology of the major modifications made to the organisation of UM and MCAST, from the year 2000 onwards.

5.6.1 Governing Bodies and Academic Units

The governing and management arrangements of both UM and MCAST are still based on a traditional academic self-governance model but are gradually embracing new academic units as well as regulatory and purely management support structures.

The adaptiveness of the University to the business world and the focus on managerialism was significantly strengthened through the appointment of a new Rector in 2006. As from the year 2007 onwards, four new governing bodies were created in the form of faculties in order to respond to the exigencies of the outside world: the faculties of ICT, Social Wellbeing, Media & Knowledge Sciences and Health Sciences. Other business-oriented and innovative academic units in the form of institutes and centres were also created having the following academic portfolios: Biomedical Cybernetics, Performing Arts, Aerospace Technologies, Space Sciences & Astronomy and Digital Games.

These new governing bodies and academic units **were** blended with a continuous managerial transformation of the University that was renewed in 2016 through the appointment of a new Rector. Five Pro-Rectors responsible for five portfolios were appointed: academic affairs, research & knowledge transfer, strategic planning & enterprise, international development & quality assurance and student, staff affairs & outreach.

The criticism directed towards the University's organisational transformation, during the strategic meetings, was two-fold: first, considering the open systems theory, the new academic units were required from an academic point-of-view but from a governing and management perspective having so many independent entities is not the ideal solution. The more academic entities, the greater the possibility of fragmentation, duplication of resources, less coordination and complexity (UMST01, UMST04 & UMST05). Second, contrary to the balance expected in the strategic choice model, the fragmentation in institutional governance and management inhibits the achievement of objectives that are expected from external stakeholders and from the society in general (UMAB01).

The experience of MCAST's academic transformation has been less adventurous when compared to that of the University of Malta. The six MCAST institutes that represent applied sciences, creative arts, engineering & transport, business management & commerce, community services and ICT characterise a governing structure that has less units and has a simpler organisational chart. Given that less academic bodies form part of MCAST and these institutes were established recently are the logical arguments to explain less structural changes in MCAST's structural arrangements.

5.6.2 Regulatory Units

The Regulatory Units established at UM and MCAST responded to three main exigencies: quality assurance associated with programmes of study, broader quality assurance mechanisms and internal auditing from financial and business process perspectives.

As has happened all around Europe especially through the Bologna process that was enacted in 1999, the quality assurance perspective has evolved dramatically at an institutional level. UM's APQRU, which was set-up in the last quarter of 2007, is an example of an administrative unit that assists the Programme Validation Committee (PVC) that is an academic entity, more specifically Senate's Sub-Committee. In addition to APQRU, a Quality Support Unit (QSU) was created in 2015 in order to review those quality assurance features that are not specifically related to the programme of study, as is the role of APQRU. One of the major functions of the QSU has been the writing of the Standard Operating Procedures (SOPs) for all administrative processes. The QSU supports the University's Quality Assurance Committee (QAC). At MCAST, the quality assurance functions are concentrated within a Directorate. The University of Malta is also investing in the quality of teaching by planning to set-up of an Office for Professional Academic Development (OPAD) that will assist academics in the use of effective teaching strategies and by applying the latest teaching technologies. This office helps the University to react better to the increasing demand for online courses.

Public accountability and transparency dictate that a modern higher education governance is aided by a regulatory unit such as the Internal Audit. The Internal Audit has become part of UM and MCAST's institutional arrangements recently, in 2018 and 2017 respectively. In both institutions, the Internal Audit acts independently from the internal Finance Office and its role is not only

concentrated on the financial side. At MCAST, the Internal Audit Office is governed by an Internal Audit Charter that has a dual function through audit and investigation as well as a consultancy function to the President and the Principal. It conducts reviews with regards to student-staff ratios and service efficiency. Most importantly, this office serves as a check and balance on the university's Finance Office. Rather than relying only on external auditors, and on evaluations which may take place at certain occasion, such a structure ensures effective, continuous audit and assurance that (i) money is being spent wisely both centrally and at Faculty level; and (ii) resources, especially human resources are being used to their maximum potential. Therefore, the focus of the Internal Audit Office is not only to ensure that financial transactions are affected in accordance with the financial regulations but a better value for money is realised (MCBG01).

5.6.3 Management Support Units

The emergence of a public-private sector funding hybrid (Upton, McKenna & Di Nelio, 2012) led both UM and MCAST to establish several management support units to manage projects and funding. Less dependency from central government finances and absorption of EU or local funding from other sources enthused MCAST to open a partnership office to manage business relationships and an entire directorate for capital projects and EU funding. This directorate proved to be crucial with regard to the MCAST campus extension. The University of Malta invested in the set-up of a Project Support Office, a Knowledge Transfer Office (KTO) and a Research Development Trust (RIDT). This blend of structures reveals the importance of a mixture of capital and research investment that are crucial for today's HEIs to survive. Project support and funding structures are also supported by entrepreneurship offices that promote innovation and business start-ups. The University of Malta positioned the portfolio of research and innovation through a specific pro-rectorate.

Both MCAST and UM invested heavily in student services through several sporadic management support units. The investment in student service was a response to the changing student clientele that was analysed in Chapter 3. The main criticism in this camp is that there is no central unified Student Welfare Support Unit even though both institutions have high-level officials assigned to student welfare, a Pro-Rector and a Deputy Principal respectively. The absence of a one-stop shop for students is perhaps a main structural lacuna at both institutions. At the University of Malta for

example, the present student support services are concentrated in different units of the university's structure such as the Students' Advisory Services, the Office of the Registrar and within Faculties or Institutes. A well-manned Student Welfare Support Unit in the form of a one-stop shop as specified by the UM's strategy (2019: 70) does not only provide guidance to current University students but also to prospective students in all aspects of their University life and could also act as a liaison with the *Kunsill Studenti Universitarji (KSU)* in directing their ideas and their projects for a better University experience. The ripple effect can be that the University could handle students' complaints better before they have to resort to the Ombudsman or the Ministry for Education for redress. Attention is to be paid to not create a large student services unit that would ultimately serve as a show stopper rather than an avenue to increase awareness and to solve student problems. Several UK universities including the University of Edinburgh and the University of Oxford adopted a central one-stop service for students. Notably, the idea of a one-stop shop was not mentioned in the MCAST strategic document (MCAST, 2019).

Figure 5.6: Transformed Management Support Units at UM



Author: Colin Borg (2020)

The managerial evolution was not limited to establishing new management support structures. Adaptiveness to the external environment as well as the application of the strategic choice model and the contingency model can be observed in Figure 5.6. Several offices within the University of

Malta were transformed into new office designs or directorates and a balance was found between responding to the ever-changing context by reinventing or by sustaining the existing management support units.

The ‘Office for Human Resources Management’ experienced the addition of the term ‘development’ to emphasise the modern managerial philosophy that focuses extensively on human development in high performance organisations. Richman (2015) argues that the complementary pairing of human resources management and human resources development is a recent development. Human resources development gives more importance to innovation, capability and flexibility that are necessary characteristics for a well-performing HEI.

Other offices were also subject to a change in nomenclature, namely the transformation from the ‘EU International Office’ to ‘International Office’ in order to reflect the stance that the University is open to all students around the globe and not just EU students. Table 5.3 portrays the growing segment of non-EU students (Baldacchino, 2018). It shows an increase of 28% and 62% in undergraduate and postgraduate fee-paying students in four years, from Academic Year 2014/15 to Academic Year 2019/20.

Table 5.3: The growing segment of non-EU students at the University of Malta

Non-EU students (fee paying)	Academic Year 2014/15	Academic Year 2015/16	Academic Year 2016/17	Academic Year 2017/18	Academic Year 2018/19	Academic Year 2019/20
Undergraduate	232	250	284	320	305	323
Postgraduate	93	102	158	167	198	245

Author: Colin Borg (2020) - Cited from an unpublished report entitled: ‘Internationalisation at the University of Malta: Some Tables to Mull Over’, Baldacchino G. (2018) and further data obtained from the SIMS Office, Office of the Registrar.

The ‘Estates and Works’ office was also redesigned into an ‘Estates Facilities and Capital Development Directorate’ in order to emphasise the capital development aspect of a University which possesses extensive acres of land. Table 5.4 shows that the increase in capital assets was of 22% in just six years from the year 2012 to 2018.

Table 5.4: The developing capital assets of the University of Malta

Capital assets: property, plant equipment	Financial Year 2012/13	Financial Year 2013/14	Financial Year 2014/15	Financial Year 2015/16	Financial Year 2016/17	Financial Year 2017/18
Amount in EUROS	50,010,666	51,569,980	54,733,256	62,942,407	63,906,868	63,772,140

Author: Colin Borg (2020) - Cited from the University of Malta Annual Reports 2013-2018

The change from a ‘Communications Office’ to a ‘Marketing, Communications and Alumni Relations Office’ underscores the Marketing and Alumni Relations function for a number of reasons. In a harshly competitive environment, the marketing function and the building of a brand image has become a crucial exercise for a HEI. Furthermore, marketing is becoming more and more integrated with other managerial functions. For a large institution such as the University of Malta, communications and marketing are a major challenge in order to market more than 800 different courses effectively. It is interesting to note the differences in nomenclature in UM and MCAST. At MCAST the Public Relations function is given more prominence and subsequently the office is called the ‘PR and Communications Office’.

All management support changes discussed in this section demonstrate the transition from the traditional model of academic self-governance to a managerial model that injects the idea of a business enterprise in order to perform better and respond adequately to the exigencies of the changing outside world (Fried, 2006: 85).

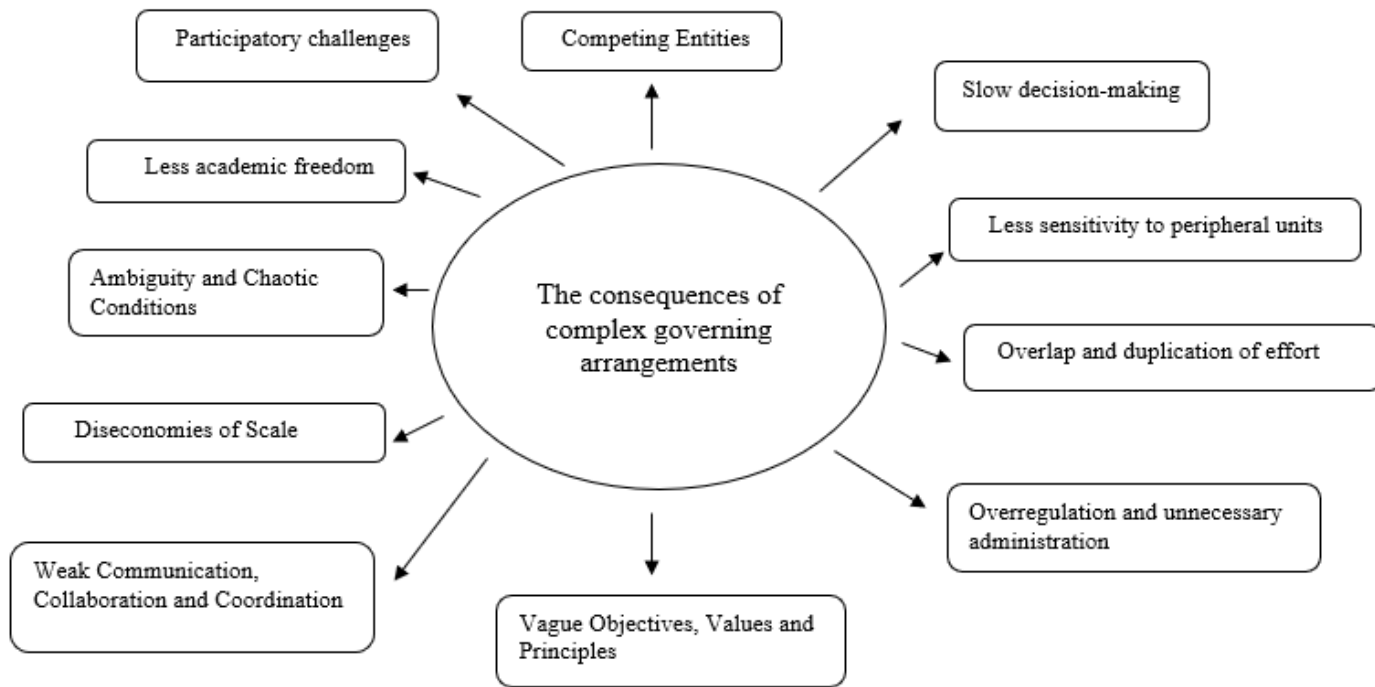
5.7 Causes and consequences of complex governing arrangements

Research cited in international publications (Maduenyi, Oke, Fadeyi & Ajabe, 2015) shows that a properly and clearly defined governing arrangements positively affect an organisation’s overall management performance. This notion can only be applied in ideal conditions where the lines of communication are working effectively and trustworthy levels of operation and coordination exist between all institutional units (European Commission, 2008). Two major questions are investigated in the coming section: How is it possible to have interactive actional governance in a complex governing arrangement? How is it possible to manage an institution effectively and achieve

performance targets in a in a context characterised by rapid change, turbulence, uncertainty and risk, a characteristic of the bounded rationality context?

The drive towards managerialism, as explained by Tierney and Lechuga (2010) which in certain instances is referred to as the makeover HEIs that happened in the 1980s, brought about changing governing arrangements and decision-making processes. This evolutionary change channelled HEIs in experiencing a paradox stemming from the development and multiplication of regulatory and management support units. The paradox involves the achievement of better performance on one hand and the creation of complex institutional designs and processes on the other hand. The study of Maltese higher education realities has also exposed these challenges, shown in Figure 5.7, include the difficulty of achieving a widespread power distribution especially by allowing more student and staff participation in decision-making, the risk of slow decision-making, as well as ambiguous objectives, vague values and principles in complex and chaotic conditions, ambiguity, weak communication, collaboration and coordination, competing entities, overlap, multiplication of effort, overregulation, unnecessary administration, diseconomies of scale, diminished academic freedom and less sensitivity to the peripheral units, especially the Faculties and Institutes.

Figure 5.7: The Challenges arising from Complex Governing Arrangements



Author: Colin Borg (2020)

Internationally, the first challenge arising from the evolving institutional design lies in what Neave (2012), Ross (2012), Bowen and Tobin (2015), von Lude (2015), Austin and Jones (2016), and Altbach (2016) described as an assault on academic freedom. The argument is that the drive towards enhanced management performance, accountability, new modes of teaching and learning and the ascendancy of the administrative engine over scholarly pursuits overshadowed academic freedom and created an invisible wall between managerialism and academia. The adoption of business practices through a corporatist approach strengthened the concentration of power at the centre and rendered the academic domain as a relatively powerless faction when compared with other stakeholders. Tension exists between the managerial and academic staff (Rowlands, 2017).

In Malta, the proposed University Act raised this spectre dramatically. It was perceived by UM academics as an attempt to undermine autonomy and to shift the power from the ‘operators’ to the central government through new governing arrangements. In the minds of Maltese academics, they are the ‘operators’ of the institution. Certain proposals in the Act, especially the Executive Board,

would undermine the autonomy' of the University (UMSN01). The proposed Executive Board was intended to have a majority of members from the central government with an overarching power on Council and Senate. UM academics argued that university autonomy and academic freedom do not exclude accountability and in turn accountability does not mean stifling autonomy and academic freedom (UMST03).

The establishment of new regulatory and management support units within institutions in the form of quality assurance offices, internal audit, project support and Human Resources Office as well as the evolving nature of conventional statutory bodies such as Office of the Registrar, not only added to the complexity of institutional process but, in some instances, also limited significantly academic freedom. This development could be seen as a concerted effort towards achieving better performance but one that exhausts academic liberty and flexibility. The approval of course programmes in accordance with the Bologna Process (vön Lude, 2015) and the harmonisation of course regulations increased the concentration of power at the centre to the detriment of faculty or institute flexibility. During the strategic process, academics feared that decision-making would not remain in the hands of the faculties and institutes (UMST02).

These multi-level initiatives were complemented by the setting up of regulatory units in the form of quality assurance offices such as APQRU, PVC at UM and a designated directorate at MCAST. Programmes of study and course regulations are now being approved by central authorities as well as the publishing and the marketing of courses. This *modus operandi* helps UM and MCAST to market better their portfolio of courses and to attract new students, but it severely limits academics from changing anything in pre-published programmes even if it makes sense academically. UM's strategic exercise participants felt that flexibility has been compromised and improvement in this regard is required to achieve a balance between injecting a sense of managerialism as well as professionalism while allowing a judicious academic flexibility to faculties (UMST04, UMST05).

The dominance of managerial logic on the academic exigencies is also expressed through overregulation and unnecessary administration. The concern of UM's academic staff was that administrative duties are exhausting their research and teaching initiatives and this situation could seriously undermine the academic standards (UMSN03). The highlighted position is that the regulatory and management support units as well as the administrative procedures created and

expanded but the quality and robustness of the organisational hierarchical layers were not improved. The counter argument from an institutional perspective is that both UM and MCAST collective agreements stipulate that administrative duties are an essential element of the workload (UMRS01). In the case of the University of Malta, academics are expected to dedicate one third of their work to administrative duties, 13 hours out of a total of 40 hours per week (University of Malta, 2014).

A number of measures were introduced that led or were perceived to lead to the exhaustion of academic freedom and the subsequent increase in administrative load. Workload models through the so-called academic effort measurement, standard operating procedures (SOPs), Periodic Programme Reviews (PPR) and standardised templates such as those used to create new study-units are examples of new managerial ways that increased the administrative load while limiting the academic space. This phenomenon was observed in Anglophone nations where corporate and managerial governance now dominate (quoted in Rowlands, 2017). The general feeling at all observation meetings was that while it is healthy that academics are held accountable for their work, and this may accelerate the development of research output (UMRS01), it is important to consider the ‘informal’ uses of such performance systems (UMAB01), particularly their role in creating a culture of ‘self-policing’ and ‘policing’ in general. This feeling was confirmed by participants in the interviews. Certain performance systems, particularly those based solely on metrics and quantity do not necessarily say anything on the quality of work being produced. Such systems may also be contributing to a culture of shaming (UMI2).

The set-up of new units raises the necessity of maintaining order out of ambiguous, laborious and complex conditions. For example, though the functions of APQRU and PVC are entirely different from those of QSU and QAC, the former is focused on the quality of academic programmes and the latter on the general quality assurance initiatives, it is a challenge to maintain a clear demarcation line between the two portfolios.

Ambiguity may lead to duplication of effort, especially when central units are created to support the local entities. The set-up of the Doctoral School at UM, established as a co-ordinating framework for faculties, created a sense of confusion at the start of its operations. A concerted effort had to be dedicated in order not to transfer the groundwork of Faculties to the Doctoral School especially when considering that students are still registered with their respective faculties.

Such ambiguity and the resulting risk of duplication of effort exists in other spheres: when dealing with international students through an international office and an international admissions office; in local admissions, through the set-up of a student recruitment office within the Communications and Marketing Directorate in addition to the traditional admissions office within the Office of the Registrar; in amending the regulations and bye-laws (UMSN06) and in training & development through the establishment of OPAD which specialises in providing training for academics in addition to the Human Resources office that has been providing training for all staff. The revamp of UM's website Course Finder project is another example of a risk of duplication of effort in view of the numerous governing bodies, academic, regulatory and management support units involved: the web-editorial board, APQRU, Office of the Registrar, Finance Office, IT Services, Communications Office and Faculties (UMCN03).

The more regulatory and management support units are in operation, the greater the effort required to ensure proper communication and coordination, to achieve economies of scale in view of sporadic cost centres, to have effective participatory mechanisms and to achieve a concerted effort of all employees towards a unifying objective (De Waal, 2012). These are all major characteristics of a performing organisation that are at risk of being compromised. The lack of concerted effort and at times confusing interplay of members was evident during UM Council meetings. In extreme circumstances, the views were so divergent that the President of the Council had to revert to majority voting (UMCN01).

A strong bridge is required between the central and the local units of the University (Shattock, 2006: 110 & 111) in order to achieve effective co-ordination between the central and the local level. If decision-making is not inclusive, academic freedom may be undermined and most decision-making is imposed on academics. Delegation of authority from the centre to the faculties underline the concept of shared governance. This issue was much more prominent at UM than MCAST, although it affects both institutions. Ideally, a governance model engages all players involved by having effective participation in decision-making (Shah, Bennet & Southgate, 2015) by all parties concerned. Birnbaum (2004) termed this shared governing nature as 'soft' or 'interactional' governance which embraces the connections and interactions that are required in decision-making. Therefore, well-performing HEIs are expected to include all parties concerned in

decision-making but the more complex the setup, the greater the difficulty to have inclusion and effective representation. UM student feedback is an example of a supposedly participatory tool that does not lead to the desired results. In fact, despite having APQRU as a regulatory unit to design and manage feedback and despite the introduction of an app to engage better with students, the participation in the first part of 2019 stood at less than 4% (UMSN06).

A central-periphery syndrome has been analysed by several researchers. Bowen & Tobin (2015) assess governance and the principle of collegiality from a 'locus of authority' perspective. Babbett, Franke and Lee (2014) highlight the phenomena of new pressure points and antagonism that shared governance could create in the relationship between faculties and the central institutional machinery. UM's Senate meetings revealed the atmosphere of an 'us' and 'them' mentality in many different governing and managerial facets of the University (UMSN01-06). Tasks that were previously in the hands of the faculties were now being done at the centre. The drafting of regulations, marketing initiatives, publication of calls for the appointment of new staff, human resources promotion exercises, training and development, the Programme Human Resource Requirements (PHRR) as well as budgeting are now tasks handled centrally.

This suggests that the work conducted by various central governing bodies and academic committees does not necessarily contribute to improving the relationship of the central governing bodies with the local institutional units. High-level governing bodies such as Senate, Council and the Board of Governors meetings are at times rubber-stamping forums especially if there is no effective involvement of staff and students in decision-making. Students are not represented at MCAST Board of Governors meetings. This shows that their voice is completely absent at the highest level of the College structure (MCBG01, MCBG02 & MCBG03).

Shattock (2006) highlights the stance that governing bodies are to be embraced by effective key decision-makers within HEIs in order to achieve the desired performance. It is of utmost importance that the powers vested in the governing bodies and key decision-makers serve as checks and balances. If, however, key officials dominate institutional decision-making and exhaust the participatory energies, decision-making will reflect the perspectives of an individual rather than that of an institution united around a common objective. At both UM Senate and Council meetings, proceedings were dominated by not more than two members. In the Senate (UMSN01-06) two deans

represented the interests of the informal College of Deans that is not recognised by the present Education Act. The two deans did the absolute majority of the interventions. Council meetings (UMCN01-04) were continuously interrupted by two members representing the central government. At a particular Council meeting these two members objected to the wording of a minute for more than one and a half hours (UMCN04).

The growing number of structures obstructs the emergence of a bottom-up approach and the corresponding specialisation shifted decision-making authority that requires specialist expertise to the senior executive staff. Principal officers such as the Secretary, Registrar and the Director of Finance who are not elected, influence the University's decision-making process. Despite their appointed status, they influence decision-making significantly. The draft MCAST Act was spearheaded exclusively by the President and the Principal of MCAST and subsequently presented at a Board of Governors meeting almost ready to be published (MCBG03). In a number of instances, the influence is not evident and may not be channelled through the formal University structures. Decisions such as the re-branding of the University's marketing efforts were taken without any consultation with the University's governing bodies. In this particular case, the Director for Communications was the driver behind such a major change. The decision was subsequently transmitted through Senate and channelled towards a working group that was appointed to discuss marketing (UMSN05).

Even in an ideal circumstance where students, staff and stakeholders are participating actively, the possibility of slower decision-making is an issue. Kezar (2004) highlights the impact that complex governing arrangements have on efficiency. At the University of Malta, for example, the emergence of specialised structures to provide expertise and the creation of academic committees at faculty and institutional levels to counterbalance the managerial structures means that decisions on an approval of a new course could take eighteen months. Such slow decision-making raises questions of sustainability and the adaptability of the institution. The irony is that the same governing structures that were created to respond to the outside environmental context could perhaps become obstacles to brisk, effective institutional adaptation.

5.8 Conclusion: establishing a comprehensive notion of governing and management arrangements

Three key principles emerge from the foregoing analysis. First, governing and management arrangements establish the way an institution works. This means that the analysis of institutional dynamics must extend beyond organisation charts. A performance-led higher education institution depends on a complex dynamic network of governing bodies, academic units, regulatory units and management support units that are required to operate in the contemporary higher education environment. Second, managerialism is potentially taking over the academic energies of institutions and their authority with the risk of exhausting their voice and scholarly output. It is important to keep in mind that HEIs cannot be considered as purely business enterprises but a community of scholars and researchers (quoted in Rowlands, 2017). Third, the managerial and entrepreneurial evolution of HEIs led to complex arrangements of governance and management that could produce unintended consequences inhibiting institutional the performance. Chapter 6 shifts the investigation of these issues to the management of four main institutional resources: students, staff, finance and knowledge transfer.

CHAPTER 6

PERFORMANCE-ORIENTED MANAGEMENT IN PUBLIC HIGHER EDUCATION

6.1 Introduction: A well-performing organisation and its relevance to public higher education

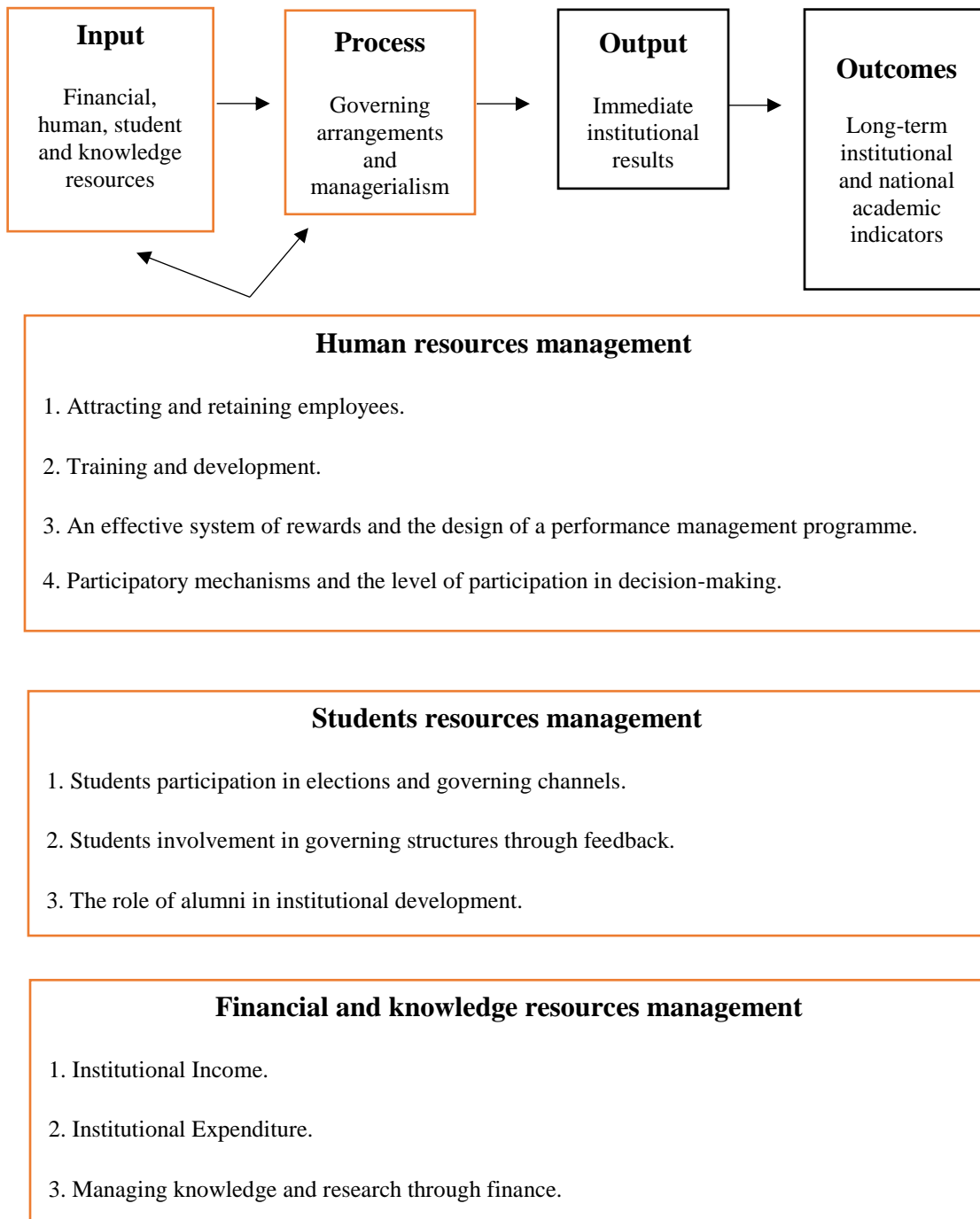
Good management, especially the ability to acquire the necessary resources and to use resources optimally, is an essential condition to steer HEIs towards becoming performance-oriented. This chapter explores the extent to which the management of resources is oriented towards performance by using the analogy of a car engine which requires an effective assemblage of bolts, sparking plugs, alternator, fuel injection, oil dipstick and disc brakes in order to function optimally. Similarly, management-oriented KPIs are not an end in themselves but have an essentially supporting role in enhancing academic performance. Just as the car requires a capable driver who, besides handling the vehicle, knows which destinations to arrive at, so too HEIs, need effective academic leadership that is capable to managing the institution and guiding it towards diverse destinations in a complex, uncertain environment (Altbach & Salmi, 2011).

International literature provides an extensive list of performance measures that can be classified into two main categories: academic and management oriented KPIs. In a study conducted by Ballard (2013) amongst 34 HEIs in the United States, the KPIs ranged over admissions, alumni, business connections, course measures, human resources, enrolment, facilities, financial management, graduation rates, grants and research awarded, library resources, retention rates, student satisfaction, student engagement and technology use. The broadly diverse KPIs are also reflected in an online survey by IES and NatCen through HESA in the United Kingdom (Pollard et. al, 2013), in which 67 HEIs participated. The wide ranging measures were classified under five categories: student (applications, enrolment, retention, continuation, graduation, employment outcomes and student satisfaction); finance (funding, expenditure per student, scholarships and international fees); research (data on publications, quality of publications, data on research funding and postgraduate students numbers); staff (staff records, staff performance and student-staff ratios); outreach (engagement with local, national and international communities), and other measures (external quality reviews, social responsibility, economic impact and sustainability).

This chapter inaugurates a series of studies concerning the performance of Maltese HEIs. It analyses comprehensively performance indicators that cover four resource-management perspectives: human resources, students, finance and knowledge sharing. It builds on the stakeholder analysis presented in Chapter 4 and the governing arrangements analysed in Chapter 5. Chapter 8 analyses financial KPIs and resource allocation in relation to strategic management. Chapter 9 focuses on academic-oriented KPIs. While the aspects of institutional performance are vast, taken together, these chapters demonstrate the inter-connectivity of the indicators and their mutually reinforcing character. They recall the governing and managerial engine, a concept that shows the importance of having the effective support of institutional management for improved academic performance. Appropriately motivated management and financial stability can stimulate ventures that promote research, enhance teaching and learning, facilitate technological uptake, and create an environment that entices prospective students, achieve stronger retention and graduation rates, and sustain high employability figures.

The relationship postulated in this chapter is represented schematically in Figure 6.1, which explains how effective resource and performance management contributes towards enhanced academic performance. This figure adapts the traditional performance management model developed by Boyle (2005) in public administration to higher education. The input indicators consist of financial, human, student and knowledge resources that need to be managed, in order to achieve output and outcome indicators academic-oriented indicators. Following a brief note about the data sources, the chapter is organised around the principal themes embodied in Figure 6.1.

Figure 6.1: The performance-management model embedded in a higher education framework



Author: Colin Borg (2020)

6.2 Research methods

The research design involved document analysis and the collection of national statistics and institutional data. Document analysis covered institutional collective agreements, annual reports, statistical reviews as well as national policies published by the National Commission for Further and Higher Education (NCFHE) and the Ministry for Education and Employment (MEDE). Institutional head count data from the University of Malta (UM) and the Malta College for the Arts, Science and Technology (MCAST). In addition, six interviews were conducted with Directors and academics to gather information regarding performance tools available to Academic members of staff.

6.3 Managing human resources in a performance-oriented public higher education model

Are human resource management practices gearing higher education institutions to nurture a performance-oriented institutional culture? Four main human resource indicators are reviewed. The first is the institutional ability to attract and retain human resources in a volatile, turbulent labour market scenario. The second indicator is the development of a holistic training and development programme that provides the necessary knowledge and skills for both staff and students in a complex institutional governing framework. The third indicator is the design of a realistic and effective staff performance management programme (PMP) that incentivises success stories. The fourth indicator is the creation of participation mechanisms and the encouragement of staff and students to actively participate in institutional decision-making.

International literature, especially in Europe, has paid little attention to human resource indicators. The indicators developed in this chapter are based on the work conducted by Shahmandi, Silong, Ismail, Samah & Othman (2011) who focused on competencies, roles and effective academic leadership; Bolden (2010) who analysed leadership, management and organisational development and Rabovsky (2013) who tested and reviewed performance data in managing public universities.

6.3.1 Attracting and retaining staff

This indicator calculates the institutional ability to attract and retain employees. It does not assess the quality of the human resource. It checks whether HEIs have enough staff to run their managerial engine in circumstances of increasing workload in terms of number of departments, units, offices, collaborative arrangements and networking opportunities.

Attracting and retaining employees has become challenging in a scenario where unemployment has reached very low levels. At the time of writing, Malta's unemployment level is 3.9% and is the fifth lowest unemployment figure recorded in the European Union in May 2018 (Eurostat, 2018). Institutions try to adopt pay-related incentives and other work-life balance measures to incentivise employees to come or continue to work at their institution and to strive towards achieving the performance indicators.

Table 6.1 reveals that, at the University of Malta (UM) for the period 2011-2017, the ratio of employing new academic staff to losing academic staff is on average 3:1. The calculated ratio in terms of administrative staff is more volatile. From academic year 2011/12 to 2013/2014, the ratio varied between 6.6:1 to 3.3:1; in the subsequent three years, from academic year 2014/15 until 2016/17, the ratio decreased to 2.1:1 and then to a low level of 1.44:1. The volatility in the tight labour market is leaving its mark on the university and as a result administrative staff are leaving at an increasing rate.

Table 6.1: The number of staff joining and leaving UM & MCAST

Category/Academic Year	2011/2	2012/3	2013/4	2014/5	2015/6	2016/7
UM Academic Staff: New vs Left	160/50	112/49	183/49	138/46	105/33	96/43
UM Ratio Academic Staff: New vs Left	3.2/1	2.3/1	3.7/1	3/1	3.2/1	2.2/1
MCAST Academic Staff: New vs Left (University College)	*	*	*	*	3/0	0/0
UM Administrative and Managerial Staff: New vs Left	197/30	267/59	192/59	233/110	216/150	237/120
UM Ratio Administrative Staff: New vs Left	6.6/1	4.5/1	3.3/1	2.1/1	1.44/1	1.98/1

MCAST Administrative Staff: New vs Left (University College)	*	*	*	*	8/0	1/0
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Author: Colin Borg (2020) - Data provided by the respective Office of the Registrar of both UM and MCAST. Table presenting head count data. * Data not available.

These figures and ratios demonstrate that the ability of UM to retain administrative employees is weaker than its ability to retain academic staff. This could be explained by external factors, such as project-based administrative staff who are engaged on funded fixed-term contracts that are beyond institutional control. However, there is an evident discrepancy in the salaries and conditions earned by academic and administrative staff that could explain the differences in the figures. The latest UM’s collective agreement for administrative staff, signed in March 2018, involved a general average increase of 2.5% in the salaries per annum that works out to a total of 13% over the duration of the agreement: 2017-2021. The salary increase is pegged to the wage levels of the public service; but it is only a marginal increase when considering the robust labour market that the university competes in.

MCAST’s figures of staff (who teach at Level 5 upwards) joining and leaving the College are minimal. When the previous MCAST University College (UC) existed, figures show that the college commenced in 2015 by deploying its then existing staff. The efforts of MCAST UC have been concentrated in employing new full-time academic and administrative staff in order to sustain its growth and to service more than 2,000 tertiary level students.

Other human resource indicators can be influenced by the HEIs themselves as a measure to retain their employees. The costs of replacing a worker, in the form of recruitment, selection, screening and learning on the job are substantial (Dube, Freeman, & Reich, 2010). It is much more cost-effective to devise employment conditions that are conducive to work-life balance and to family-friendly measures to retain existing employees.

Table 6.2 shows that work-life balance initiatives amongst administrative staff at UM are availed of by a small minority. An average of 12% are on a reduced hours arrangement, normally of between 25 and 30 hours. The use of flexitime has experienced a ten-fold increase in just five years, from 2014 until 2019. The increase was from 24 to 230, a steep rise from 3% to 26.3%. In Academic

Year 2018/19 there was a steep increase in flexitime following the issue of a flexitime policy. Until the crisis brought about by COVID-19 in the first quarter of the year 2020, which has forced all staff to work from home by following a roster, teleworking was permitted to a mere 4.9% of the administrative staff in 2019, even though most administrative duties could be easily conducted from home and quantified in accordance with established benchmarks.

Table 6.2: Uptake of work-life balance initiatives at UM (administrative staff)

Academic Year/ Work-life balance initiatives	2014/5	2015/6	2016/7	2017/8	2018/9
Reduced Hours	100 (12%)	100 (11.9%)	105 (11.8%)	108 (12.4%)	106 (12.1%)
Flexitime	24 (3%)	17 (2%)	40 (4.5%)	76 (8.7%)	230 (26.3%)
Teleworking	16 (1.9%)	25 (3%)	28 (3.1%)	35 (4%)	43 (4.9%)

Author: Colin Borg (2020) - Data provided by UM's Office of Human Resources Management and Development. Table presenting head count data and brackets showing percentage data.

MCAST's University College administrative employees or staff who work with students at Level 5 upwards are all full-time staff and are therefore not making any use of work-life balance initiatives that are allowable in terms of the College collective agreement.

The issue of work-life balance is less prevalent amongst academic staff, given their more flexible schedules. Academic staff are not required to record the time of entry and exit and most academic staff can schedule their lecturing commitments in accordance with personal exigencies.

6.3.2 Training and Development: providing the necessary skills to staff

The second human resources management indicator is the training and development of both administrative and academic staff. Training and development can be designed in-house to cater for the specific exigencies of the HEI, or is outsourced and run by specialised agencies.

A training and development programme for administrative staff at UM was launched in 2014. At first, the in-house, tailor-made programme was developed for administrative staff on various topics such as student administration, marketing, knowledge transfer, quality assurance in higher education and research support services. As from 2018 onwards, training started to be delivered to the academic staff and the most popular courses were data protection, the general regulations and blockchain. Some courses were specifically designed for academics, such as online learning and plagiarism software. An orientation day (UMOA01) for new academic staff started to be organised so that they have a good overview of the university's governance and management. Table 6.3 reveals that the number of training sessions increased exponentially by more than 20 times within 5 years. The number of administrative participants increased eleven-fold and the percentage of administrative staff who attended courses increased tenfold from 9.3% to 92.6%. In just two years (2018 and 2019), the trained academic staff more than doubled and the proportion almost tripled from 8.1% to 20.3%. The figures are also indicative of (a) a policy initiative and (b) the provision of programmes, as well as incentives (or compulsion) for participation. These indicators show the growing importance of training at UM. All training sessions were delivered by in-house trainers at no additional cost to the university, except for the time devoted to develop, plan and deliver the sessions.

Table 6.3: Number of UM and MCAST training courses and participants

Participants & Number of Courses /Year	2014	2015	2016	2017	2018	2019
Participants: UM Staff	77 (admin) (9.3%)	284 (admin) (33.9%)	290 (admin) (32.6%)	446 (admin) (51.3%)	405 (64.7%) (admin) + 144 (8.1%) (academic) 549 (total)	843 (92.6%) (admin) + 354 (20.3%) (academic) 1197 (total)
Participants: MCAST University College Staff	n/a	3 (37.5%)	3 (33%)	0 (0%)	88* (41%)	49* (23%)
Number of UM Courses	3	19	25	36	45	65
Number of MCAST University College Courses	n/a	3	3	1	2*	2*

Author: Colin Borg (2020) - Data provided by the respective HR Offices of both UM and MCAST. Table presenting head count data and brackets showing percentage data. *Data of MCAST staff who deals with students following courses from Level 5 upwards. The data reflect MCAST's situation after the dismantling of the University College.

MCAST in-house training sessions focus on customer care and a comprehensive induction course. Despite the low number of administrative staff who work within the MCAST University College (only 9 employees) the proportion attending training and development activities was comparable to that of UM in 2015 and 2016: an average of 35%. The number of training sessions is very low compared to that of UM. From 2018 onwards the situation changed, as MCAST inaugurated more courses at Bachelor and Master's level and therefore more staff was involved directly and indirectly with students enrolled at these levels. Nevertheless, the percentage of administrative staff trained is still low when compared to UM: in 2019 it reached just 23% compared to 92.6% at UM.

In addition to tailor-made in-house training courses, staff can also be encouraged to attend academic courses held externally through the UM's sponsorship of tuition fees. Table 6.4 shows the low percentage of UM administrative staff awarded a scholarship to pursue academic courses. In 2017, fewer than 0.5% were following an academic course while being sponsored. These figures do not include UM's initiative to offer study leave to administrative employees if they are following an

academic course at UM. Administrative staff can avail themselves of a maximum of 8 days of study-leave annually. In this case, the percentages vary from 20% to 25% over the 2014-2018 period. These that a good proportion of administrative staff is seeking tertiary education to improve career progression.

Table 6.4: Number of staff attending academic courses organised by an external HEI but sponsored by UM

Participants & Academic Year	2014/5	2015/6	2016/7	2017/8
Academic Staff	79	76	68	58
Administrative Staff: UM	11 (1.3%)	9 (1.1%)	5 (0.56%)	4 (0.46%)
Administrative Staff: MCAST	n/a	3 (37.5%)	3 (33%)	4 (44.4%)

Author: Colin Borg (2020) - Data provided by UM’s Office of Human Resources Management and Development. Table presenting head count data and brackets showing percentage data. No percentage data is showing for academic staff since most of the cited numbers reflect specifically assistant lecturers who are contractually obliged to pursue a Ph.D. degree.

MCAST’s UC head count data is comparable to that of UM, but much higher proportionately, given the smaller administrative staff. It is encouraging to note that almost half of MCAST UC administrative staff are attending courses held outside the institution.

There are no MCAST University College Academic Staff attending professionally designed courses outside the institution. The data for UM academic staff is to be interpreted in light of the fact that at recruitment, most of the staff already hold a Ph.D. degree. Their interest is devoted to publishing in peer-reviewed academic journals rather than pursuing an academic course. The numbers cited in Table 6.4 pertain to the academic staff joining UM as candidates in possession of a Master’s degree, who are legally bound to obtain a Ph.D. degree within eight years.

6.3.3 Performance-oriented job titles and performance management programmes

A performance-oriented HEI mirrors two aspects of employment conditions: the revision of job titles to reflect current exigencies and the development of performance-oriented conditions of service. This third human resources indicator in Malta's public higher education measures the rise of professionalisation and specialisation of managerial and administrative jobs.

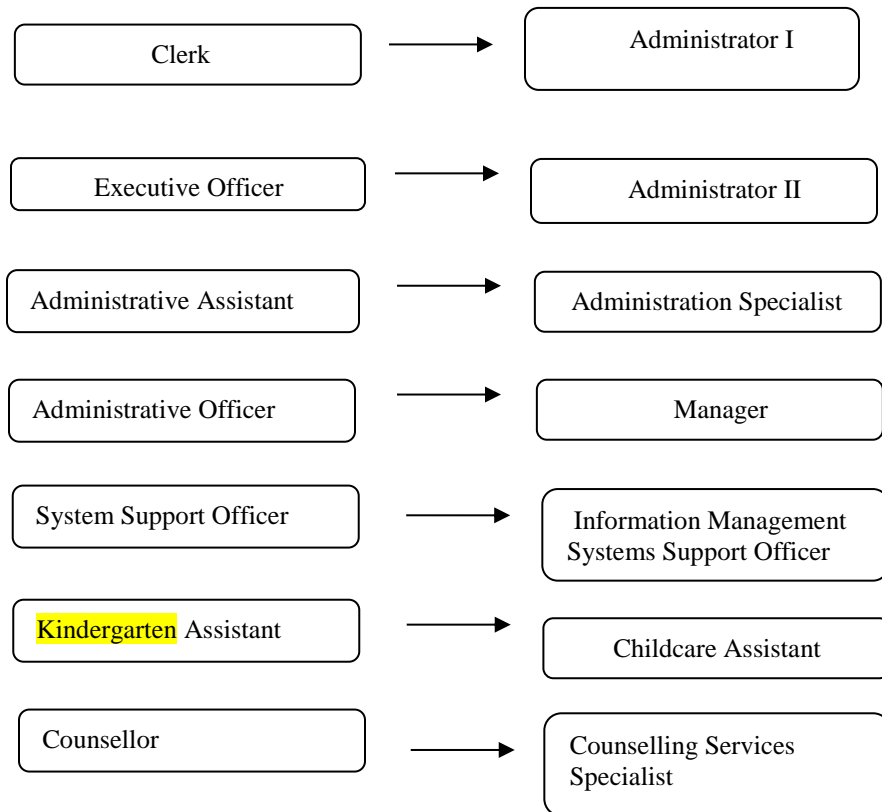
The best tools to analyse the transformation of job titles, at least on paper, are the institutional collective agreements. The collective agreement for UM's administrative, technical and industrial staff for the period 2007-2011 led to a number of HR reforms: a performance bonus for leadership positions (those who are at Scale 5); a performance allowance for specialised technical jobs at the IT Services and SIMS Office who are at a middle management or a leadership scale (Scale 8 to Scale 5); obligatory training for all administrative staff; the rising importance of having qualified staff balanced with experience as well as seniority; and the re-designing of administrative jobs.

Traditionally, Malta's HEIs relied on administrative jobs such as clerks, executive officers, administrative assistants and administrative officers that were transposed from the conventional public service stream. At the University of Malta, these job titles were in effect for over four decades. MCAST modelled the administrative jobs on this traditional approach despite being a relatively recent institution. In time, these conventional jobs were becoming increasingly ill-suited to the higher education environment. A 2012 report concerning Malta's scenario, emphasised that, given the forces of change impacting significantly on the higher education sector, it was expected that HEIs embark on a radical transformation of the business model including a sober reassessment of how jobs are determined (Ernst & Young, 2012, p. 15). This resonated with an international study by Hammerschmid et al. (2013) arguing that management reform had to be modelled on a goal oriented and performance management programme.

Malta's HEIs followed this trend. In 2017, UM's collective agreement embarked on a substantial reform in job designs and nomenclatures, as portrayed in Figures 6.2 and 6.3. This followed extensive consultation with units across the University. Three main HR developments followed from the reform. The first is enhanced responsiveness and adaptiveness to the environment. The transformed job designations demonstrate this phenomenon through: the creation of child care jobs

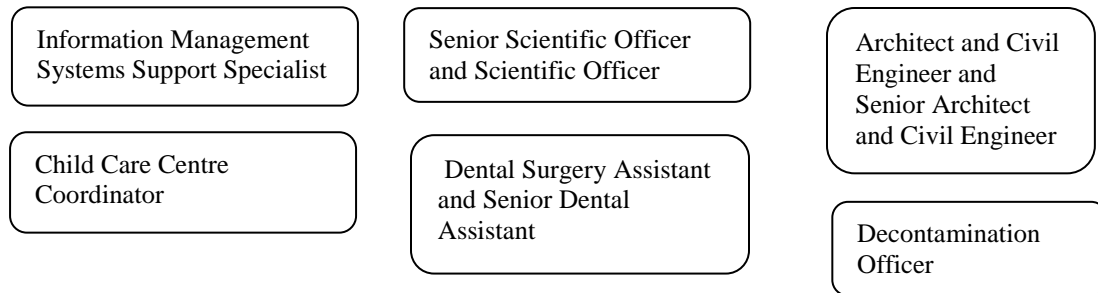
to highlight the societal focus on providing childcare to working mothers; information management specialists to emphasise the ICT managerial revolution prompted by the acquisition of software licences such as AIMS and SIMS, the former is the software that is used for managing staff and the latter to manage students` records; and the introduction of scientific officers, architects and civil engineers and a decontamination officer in order to respond better to the exigencies arising from the scientific world.

Figure 6.2: Transformed Job Titles at UM



Author: Colin Borg (2020)

Figure 6.3: New Job Titles at UM



Author: Colin Borg (2020)

The second development draws a distinction between lower and middle management vis-à-vis upper management. Lower and middle managerial grades were given the titles of administrator, while faculty officers were eventually called managers. This was intended to instil a pro-active ethos in steering and managing a faculty, rather than focusing on routine clerical and executive procedures.

The third development raised the organisational profile of specialists. New specialised posts have also been introduced in advisory services and information management. In addition to the post of an Administration Specialist, a Counselling Services Professional and an Information Management System Support Specialist were created for the first time. The creation of specialist jobs continues a trend introduced in the previous collective agreements, which established positions such as Student Advisor, Childcare Centre Coordinator, Health and Safety Officer, IT Specialist and IT Systems Engineer.

The criticism directed at this reform is that the one-to-one transposition of job titles, could simply be a case of window-dressing and a cosmetic arrangement. More could be done in this area, considering the complexity and diversity of the University's units. Other job designs – such as student welfare officers, quality assurance specialists, programme and timetabling managers, faculty managers and certification officers – could have been introduced in order to strengthen the University's administrative positioning. Despite these limitations, it is to be noted that the number of job titles is almost three times as much that of MCAST: 67 versus 23. This could be explained by two main variables: first, UM's organisational chart is far more complex than that of MCAST and, second, the modernisation of MCAST's administrative structure from an HR dimension is still in its infancy.

In addition to more specialised posts, delegation of authority from the central administration to the faculty level is also essential (Bowen & Tobin, 2015). HEIs that offer their services to thousands of students are required to avoid excessive centralisation if they are to be effective and efficient. Examples of delegated jobs at faculty or institute level could be human resources managers, finance managers and communications and marketing managers.

Specialised employment designs are to be boosted by performance management programmes if HEIs expect their staff to work collectively and individually towards achieving performance targets. Otherwise, performance-related pay for administrative staff at UM has applied since 2009 through contract-based senior executive staff who enjoy a performance bonus of up to 20% of the annual salary as well as other work resource benefits and communication allowance. From 2017, performance bonuses were introduced for indefinite staff within the framework of the collective agreement. Administrative staff at salary scale 5 are entitled to up to 8% by way of annual performance bonus, while specialised IT staff enjoy a performance bonus ranging from 5 to 10%, depending on the salary scale. The number of university administrative staff on a performance-related engagement is 81, or 9% of the total complement.

Malta's experience as expressed by academics at UM is that performance measurement is a contentious issue, especially when these tools are seen as 'policing techniques' (UMI2). Performance related conditions for UM academic staff are less visible and more complex to decipher. The collective agreement, composed of 89 pages, mentions performance only four times, and vaguely. UM academics criticised the fact that performance is strictly specified in connection with the criteria for promotion, the research output and the academic effort for research. In practice, performance is way broader and encompasses effort for teaching, research and administrative duties. It is a measurable tool that, in most instances, is criticised by the academic community as trying to count the uncountable. The consequent setback is the over-emphasis on those services that can be counted. The fact that there is no official identifiable common measurable academic effort may leave room for interpretation and misconception. Furthermore, academic effort is a basic quantification of 'lecturing hours of academics and the dissertations they supervise' (UMI2). Another performance-related tool is the condition that is being specified in the call for applications that academics obtain tenure after four years on a definite period (UMI2). The way forward is seen

as lying in the creation of a system that ensures a balanced ‘pathway between academic promotion and job security for every grade or position’ (UMI4).

A performance management apparatus does not exist at MCAST at the time of writing, and is not mentioned in the academic and administrative staff collective agreements. Performance related conditions are only available to six Deputy Directors who enjoy a 10% performance bonus. The Deputy Directors are involved in the general managerial duties of MCAST and are not exclusively related to the University College. Among the staff complement of 739, the percentage engaged on performance pay is only 0.8%.

6.3.4 Shared governance: assessing the level of participation during elections

The fourth HR performance indicator stems from a distinctive feature of higher education institutions, namely, shared governance. Institutional design that facilitates close engagement between central administration, faculties, staff and students encourages shared governance.

Birnbaum (2004) argues that shared governance is a way of inviting all those having the necessary expertise in an organisation to participate in its governance. If this is not done, levels of inclusiveness and satisfaction are likely to be low. The ultimate effect would be that staff does not feel part of the institutional decision-making process. Such a scenario demotivates employees from working towards securing the institutional objectives and leaves a detrimental impact on the efforts of HEIs to be performance oriented.

In practice, shared governance requires decentralisation and delegation of powers from the centre to the faculties (Arntzen, 2016); but it also involves a sophisticated liaison between the local faculties and the central committees and boards. A working channel is to be complemented by effective representation by those who are elected. Shared governance and managerial leadership at all levels help HEIs to adapt to the complex environment and provides a platform for institutions to embrace change and be able to learn, innovate and perform (Wallin, 2010).

Within the UM and MCAST, there are various channels of staff participation in decision-making, both active and passive. Some, such as the roles of the key institutional officials and the involvement

of staff in faculty boards, committees and high-level meetings, were discussed in Chapter 5. This section focuses on one channel of shared governance: participation during elections a measurable indicator.

Table 6.5 demonstrates that academic staff participation during Council elections at UM, is relatively low, although there has been a significant increase when comparing the period 2010 to 2014 and 2015 to 2017. Participation rates in the first period vary between 7% and 19%, while in the second period the rates increased to 25% to 35%. This significant increase can be explained by the introduction of online voting.

Participation by administrative, technical and industrial staff is only possible in Council elections. The percentage rates vary between 38% and 63% and from a total of 16 council elections that were held in this period only once, in 2013, was a percentage rate of over 50% participation was registered. This means that, in almost all elections, the absolute majority of staff is not even passively involved in decision-making by participating in elections to elect their representatives. It is important to consider that both the academic and the administrative/technical staff elect only one or two representatives to Council. The same is true of students. Their influence on the Council's proceedings is limited, given the composition of Council. There is therefore very limited incentive to 'politicise' the elections, and to mobilise voters.

The participation of academic staff with regard to faculty representation on Senate is much weaker than in Council elections. In the period 2009-2018, from a total of 66 election opportunities that could be have been held at Faculty level to elect Senate representatives, only 12 elections were contested; the remaining 53 were uncontested that is 81.5% of elections were was uncontested.

Table 6.5: Academics and Non-Academic staff turnout during Council elections at UM

Year/Percentage of Voting	2010	2011	2012	2013	2014	2015	2016	2017	2018
Council Election (Academic Representatives) – Number of Votes & voting	214 (18%)	151 (11%)	272 (18%) (19%)	100 (7%)	255 (16%)	401 (25%) 521 (32%)	583 (35%)	486 (29%) 580 (35%)	n/a
Council Election (Administrative/ Technical/ Industrial Representatives) – Number of Votes & voting	n/a	n/a	357 (48%)	512 (63%)	401 (39%)	393 (38%)	n/a	n/a	432 (39%)

Author: Colin Borg (2020) - Data provided by UM’s Office of Human Resources Management and Development. Table presenting head count data and brackets showing percentage data. n/a denotes that no election was held in that particular year

Table 6.6 presents headcount data and percentage figures whenever a Senate election was held. Participation varies from 20% to 84% of eligible voters and on average is higher than for Council elections, given that these elections are held at a local faculty or institute level and so academic staff tend to associate more with the prospective representative. This suggests that, when elections are held at institutional level, staff feels disconnected from participating. Nevertheless, the recent trend is that the rate of elections has increased between 2016 and 2018: 2-3 elections are contested each year , whereas until 2016, around one election was contested annually. This suggests that interest in decision-making at the highest echelons of the University may be growing.

Table 6.6: Academic staff turnout during Senate elections at UM

Year/Number of Votes & Percentage of Voting at Faculty Level	2009	2012	2013	2015	2016	2017	2018
Information & Communication	27 (68%)	28 (58%)			39		31

Technology					(74%)		(61%)
Medicine & Surgery	62 (41%)					69 (20%)	
Built Environment			41 (84%)				
Health Sciences				43 (31%)			
Economics, Management & Accountancy					65 (47%)		
Science					49 (80%)		33 (52%)
Social Wellbeing						48 (58%)	
Institutes, Centres & Schools							23 (68%)

Author: Colin Borg (2020) - Data provided from UM's Office of Human Resources Management and Development. Table presenting head count data and brackets showing percentage data. Figures are specified only when an election was held

There are no MCAST staff elections specifically for the University College. Elections for lecturers and students are held for the respective Institute's Board of Studies by electing one lecturer and one student per institute and on the Council of Institutes by electing two lecturers and two students chosen from among all lecturers and students. MCAST figures of staff participation, as shown in Table 6.7, seems to parallel trends registered at UM. The percentages recorded in 2012 and 2013 are around 24%; while in 2014 the rate of participation increased to 35%.

Table 6.7: Lecturer turnout during MCAST elections to Institute Councils

Year/Percentage of Voting	2012	2013	2014
Election for Lecturer Representatives:	92	99	160
Number of Votes			
% of those eligible voting	23.8%	24.3%	35.4%

Author: Colin Borg (2020) - Data provided by MCAST's HR Office.

Table presenting head count and percentage data. Elections from 2015 onwards were not held since either the representatives were uncontested or only one candidate was nominated.

The effectiveness of participation in institutional decision-making is also influenced by the size and composition of the governing boards. Australian, UK and US board compositions show that, analogously with the corporate world, the average board has between nine to fifteen members and operates a bicameral governing structure (Rowlands, 2017).

The UM Council, the highest governing body, is composed of thirteen academic and non-academic staff, three student representatives and seventeen external members (including its President), working outside the University and all but one are appointed by the Prime Minister (the other is appointed by the Minister of Education). This means that student representatives constitute only 9.1% of the Council's membership, while 39.4% of the Council members represent the academic, managerial or technical staffs. The remaining 51.5% are external members appointed by Government to represent the wider public interest. This may inhibit UM's autonomy, especially when strategic choices come before the Council.

Senate is composed of 36 (83.7%) staff members of the University; an additional 2 (4.7%) members who work outside the University represent the Minister of Education; and the remaining five (11.6%) are student representatives. Therefore, when compared to Council, the composition of staff representation on Senate is much stronger and student representation is also higher.

There is no student representation on the Board of Governors of MCAST, which is its highest governing body. This Board is composed of seven external members representing the public interest and only one internal member who is the president of the Board of Governors. Over and above these permanent members the principal, the chief administrative officer and the deputy principals

responsible for curriculum, quality assurance and continuous professional development are often asked to attend. This means that although the Board of Governors is mainly composed of external members, the contribution of the internal members is a significant component of this board even though they are not permanent and official members.

6.4 Students as the institutional clients and a vital resource

Students are the institutional clients and are at the core of the institutional mission. Higher education literature and reports published by the EU institutions and Malta's public agencies, define students' participation in terms of the level of enrolment at tertiary level. There are few, if any, studies that focus on student participation from a governing and managerial point of view. This overlooks the reality that students are an essential resource in the governance and management of higher education.

Since 2001, student participation in Europe has been recognised as part of higher education governance and from 2003 onwards it has been a pillar of the higher education *modus operandi*. This development rendered students as major stakeholders (Popovic, 2011), negating the idea that students are just 'passive receptors'. On the contrary, they have become principal agents who could help HEIs to achieve their main performance targets (Das, 2014: 66).

Student participation in the governance and managerial engine of higher education institutions is also important because it helps to ensure that students themselves get the best possible experience while studying. It is an effective way of gauging student perception and explores ways to improve internal structural arrangements in order to ensure quality and standards of the services provided by the HEIs (Kandiko & Weyers, 2013).

6.4.1 Students' participation in elections and governing channels

Bergan (2004) analysed the extent and level of students' participation among representatives from 15 European countries as part of a report commissioned by the Norwegian Ministry of Education, Research and Church Affairs. The report investigated student participation by considering the Bologna process from different perspectives. It revealed that in most countries, students have the

right to participate, discuss and be part of all decisions taken by the Boards irrespective of the nature of the issue being considered. On the other hand, in eight countries, students are only allowed a participatory and decision-making status on exclusively student matters and are not involved in the institutional decision-making apparatus. A general pattern of voter turnout emerged. Less than half of the student population elects the student body and, in some cases, turnout falls as low as one-third of the student population.

In Malta's system of participatory mechanisms, student participation happens in a clearly defined governing framework. The University of Malta through the Education Act provides the possibility of students' representation and therefore participatory decision-making on Faculty Boards, Senate and Council. MCAST's student representation is concentrated in the Council of Institutes and Institute's Boards of Studies.

What is missing is a clear mechanism of student participation at national level. Student participation, if any, is confined to the institutions. This raises important consideration of student influence on a higher national level with regards to policy and budgetary options. A consultative and communicative framework in the form of periodical conferences as well as continuous feedback through the surveys conducted by NCFHE and NSO is absent. National higher education policy could be the poorer for lack of student input.

University of Malta statistics exhibited in Table 6.8 show that student participation in elections for representatives on Senate and Council, the highest governing organs, is low. Between 2011 until 2018, participation ranged from a negligible rate of 0.97% in May 2014 to 12.40% in November 2016. Participation rates in fourteen elections reviewed were invariably below 15%. Such a low turnout persisted even though the University introduced electronic elections in November 2014; that said, there has been a three-fold increase from approximately 4% to 12% within four years. This suggests that information technology can usefully employed to increase student participation.

Table 6.8: UM Students' Turnout during Council and Senate Elections

	Nov 2011	May 2012	Nov 2012	Nov 2013	May 2014	Nov 2014	Feb 2015	
Total Student Population	11,538	11,538	11,350	11,510	11,510	11,476	11,451	
Senate Election	-	491	930	266	112	529	-	
Council Election	425	-	-	357	-	-	-	
% of voting	3.68%	4.26%	8.19%	2.31%	0.97%	4.61%	-	
				/3.10%				
	Nov 2015	Feb 2016	Nov 2016	Mar 2017	Nov 2017	Mar 2018	Mar/Nov 2019	Mar/Nov 2020
Total Student Population	11,893	11,856	11,765	11,765	11,692	11,449	11,670	11,117
Senate Election	864	-	1,458	-	1,425	1,289	-	-
Council Election	1,162	-	1,130	-	1,425		-	-
% of voting	7.26%	-	12.40%	-	12.19%	11.26%	-	-
	/9.77%		/9.60%					

Author: Colin Borg (2020) - Data provided by the Office of the Registrar.

Table presenting head count and percentage data. Cells without a numeric value signify that an election was not held given that the number of candidate/s did not exceed the number of vacancies to elect student representatives.

Nevertheless, students appear to be generally indifferent to the value of participation in the highest decision-making bodies. These statistics also reveal that despite the large number of student societies at the University, which total 78, participation is concentrated at a lower, local and informal level rather than through formal, higher-level decision-making bodies. Student societies vary: course or faculty associations such as dental, pharmaceutical and physiotherapy, religious-oriented societies, environmental and sports societies (University of Malta, 2020).

Table 6.9 demonstrates that the level of student participation is different when it comes to elect their representatives on the students' council, *Kunsill Studenti Universitarji* (KSU). The turnout during KSU elections is very strong compared to Council and Senate elections. The rate is between three to five times higher and reached 58% in 2018. This indicates that while students are alienated from the university's governing bodies, they are much more interested in electing and participating in

their own students' council. This can be attributed to two main reasons: first, the KSU has a much greater day-to-day visibility among and impact on students than Council and Senate. Second, partisan politics has infiltrated the KSU elections by having the two largest political parties in Malta, the PL and PN, backing Pulse and *Studenti Demokristjani Maltin* (SDM) respectively. KSU's influence among the grassroots has created an incentive for the major political parties to 'colonise' it, in the same way they have colonised local councils. Worth noting is the fact that for four years in 2016, 2017, 2019 and 2020, no elections were held, with *Studenti Demokristjani Maltin* (SDM) being the only group to represent the students. The lack of organised groups other than the major political parties has inhibited the participation of students in KSU elections.

Table 6.9: UM Students' Turnout during KSU Elections

	2014	2015	2016	2017	2018	2019	2020
Total Student Population	11,510	11,451	-	-	11,449	-	-
KSU Election	4,196	3,855	-	-	6,631	-	-
% of voting	36%	34%	-	-	58%	-	-

Author: Colin Borg (2020) - Data provided by the *Kunsill Studenti Universitarji (KSU)*. Table presenting head count and percentage data. No elections were held in the years: 2016, 2017, 2019 and 2020

Another form of student participation can be observed through student societies. An impressive total of 54 student societies are formally recognised at the University of Malta. While most of them represent a disciplinary interest related to a particular academic area such as Psychology, Geography, Theology, Laws and Education, several student societies represent social or environmental interests. These include *Grupp Studenti Ghawdxin* (GUG), *We are – the University of Malta LGBTQI Organisation*, *Kunsill Studenti Universitarji* and *Youth for the Environment* (Y4TE). Having such a high number of recognised student societies raises the question of how these student groups could be associated with university governance. One answer to emerge during the strategic planning exercise is that student representation can contribute towards the University's mission to foster social and political engagement (OPMR01, OPMR02 & MCST01)

There are no student elections at MCAST University College, but the same pattern can be observed with regards to MCAST general student elections. Students' representation at MCAST is at the level

of the Council of Institutes. MCAST’S Council of Institutes is represented by 14 members of staff most of them high-ranking officials and 2 student representatives which is 14.3% of the council membership. Even though MCAST provides the possibility of having a student representative per Institute and two student representatives in the Council of Institutes (COI), in many instances, student representatives are either uncontested or, when the elections are held, participation is very low. In certain circumstances, the vacant posts available are not filled through such elections. This scenario is a reflection of what happens at the University of Malta when elections for student representatives are held at Institute or Faculty Board level. Table 6.10 shows that the approximate student participation during MCAST elections stands at 3%, which is lower than the University’s percentages but within the same bracket.

Table 6.10: Students’ Turnout during MCAST Elections

	2011/12	2012/13	2013/14
Total Student Population	6170	6244	6417
Election	189	164	180
% of voting	3.1%	2.6%	2.8%

Author: Colin Borg (2020) - Data provided by MCAST, Office of the Registrar

Table presenting head count and percentage data. Elections from 2014/15 onwards were not held since either the nominees were uncontested or only one candidate was nominated.

6.4.2 Student involvement in the governing structures through feedback

Student participation in the governance of HEIs can also be assessed through other tools, such as a formal institutional feedback mechanism. In practice, student feedback could lead to changes in a programme of study or to collaboration between different units in offering a programme.

The University of Malta conducts a study-unit online feedback exercise every semester in which students have the opportunity to voice their opinion on the content delivered, the pedagogy used, the administrative services offered and the performance of the lecturers concerned. Surprisingly, such an important feedback tool is absent at MCAST, although it is exploring options to introduce online student feedback.

As Table 6.11 reveals, except for the year 2009, in which there was an annual participatory rate of 43.05%, the participation rates in the years 2008 until 2019, varied between 30 and 40%, and in the last three years declined, falling to 26% (2017), 23.21% (2018) and 8.68% (2019). If the rate continues to decrease, the validity of this online feedback exercise may be in jeopardy. Student feedback helps to maintain academic standards pointing to necessary improvements to certain aspects of teaching and administration.

Table 6.11: Response Rates - University of Malta Online Feedback

Year	Study-Unit Average Response Rate	Course Average Response Rate
2008	38.24%	*
2009	43.05%	*
2010	33.10%	*
2011	33.08%	*
2012	35.28%	*
2013	35.52%	*
2014	39.95%	25.37%
2015	37.95%	38.72%
2016	28.15%	31.59%
2017	26.00%	30.82%
2018	23.21%	21.83%
2019	8.68%	19.24%

Author: Colin Borg (2020) - Table presenting percentage data as provided by the Academic Programmes Quality and Resources Unit (APQRU). Note: Course Feedback started to be gathered as from 2014.

The participation rate for course feedback that was introduced in 2014, is at the same levels of study-unit feedback, with rates that vary between 19% and 39%, but even in this case the lowest rates are recorded in 2018 (21.83%) and 2019 (19.24%).

The University of Malta has modified the study-unit feedback interface to try to attract more responses from students by revamping the image of the feedback exercise and by allowing students

to just answer one question rather than the entire survey in order to eliminate student fatigue. The change did not halt the significant decrease in feedback. There appear to be two main causes for lack of response: the fear that students' responses can be traced, given that it is an online exercise, and the perception that not much action is taken when feedback indicates bad teaching delivery.

Active student participation during Board, Senate or Council meetings cannot be measured but could influence decision-making and the strategic orientation of faculties, institutes and the University itself.

In Academic Year 2016/17 the University of Malta introduced a study-unit entitled: *PSY2650 Student Representation at University* which was meant to make students cognisant of the impact student representation may have on the University's responsiveness to changing educational needs, to help students become more conversant with University structures and increase student awareness regarding the University's response to societal needs. In the first year 13 students registered for this unit but in the second and third year no students registered for the unit. This lack of student interest highlights the weak student involvement in the University's governance.

6.4.3 The role of alumni in institutional development

The role of student participation can be transformed and extended following graduation. From the nineteenth century in many universities in anglophone countries, alumni had an essential role in the governing machinery and were involved in electing university governors. They also had seats on the governing board, as was the case with Dalhousie University (Pietsch, 2012). The concept adopted two centuries ago, that alumni could be a determining factor in improving institutional standing, could be applied to contemporary realities.

The contribution of the enrolled students in improving institutional performance can be significantly strengthened by allowing an active role for alumni. Alumni can influence performance indicators: first, student recruitment, by spreading a positive image and acting as institutional ambassadors. This role assists institutions to restore and improve their reputation and

trust among external stakeholders. Second, building new and strengthening existing relations with the external stakeholders, especially if alumni have acquired influential positions with external stakeholders. Building bridges is not only limited to government entities and NGOs but also to the general public and major corporations (Arceo, 2010). Third, acting as role models for students by inspiring and assisting students in overcoming academic and wellbeing challenges. Fourth, providing expertise in programme design as well as funded project management and research initiatives. This function strengthens the institutional research platform and visibility that influences the number of collaborative projects that HEIs undertake (Idris, 2015).

The UM's alumni services are varied: the use of an e-platform to bridge academia to employability and the organisation of reunions as well as conferences related to the work world. However, there is no alumni participation in the governance and management of the University. Therefore, the role of alumni is strictly confined to the brand image of the University and public relations. In fact, alumni fall within the responsibility of the Communications Office. Marketing efforts are concentrated in the form of a bulletin and the University of Malta alumni newsletter entitled Luminary.

The idea of conveying a role model is approached by organising an outstanding alumni achievement award and by ceremonially awarding an *honoris causa* to prominent international public figures such as Ban Ki-moon, Romano Prodi and Vaclav Havel.

The number of alumni at the University of Malta was encouraging since 48,397 students have a record on the student database, although just half, 21,974 alumni, activated their UM account and therefore could access the university's resources. With the introduction of GDPR, which has been enforced by the European Union on all EU member states as from May 2018, the number of alumni that had activated and accepted to be involved in the alumni database fell to just 1,500. This is one instance in which the unintended consequences of policy can substantially undermine institutional initiatives. Very few initiatives have been introduced to re-engage alumni following this episode. Interest can be stimulated by using social media more effectively and by reaching out to alumni through workplaces where they are employed. (or possibly - by reaching out to them through their workplaces)

6.5 Managing finance and knowledge management

6.5.1 *The link between finance, knowledge, staff and student management*

In addition to staff and students, the managerial engine of HEIs requires sufficient funding and effective financial management of available resources. Effective financial management is essential in order to sustain existing projects, commitments and to embark on new arrangements. The analysis of institutional budgeting is a complex affair that involves many elements, facets and variables. The review of institutional income and expenditure constitutes the natural starting point.

Internationally, the discourse concerning institutional funding has shifted towards a performance-based approach. The introduction of performance-based funding dates back to the 1990s, when it was introduced in Denmark and Norway. It subsequently spread throughout Europe at the turn of the new millennium. Nowadays, a range of funding models exist: from formula funding to one where formula funding is only a small portion of the entire institutional budgeting (Pruvot, Kulik, Estermann, 2015).

The interlinkage of financial management with knowledge management and other performance related indicators was highlighted by the study conducted by Pruvot, Claeys-Kulik & Estermann (2015) on behalf of the European Universities Association (EUA). Funding formulas are calculated through *input indicators* (teaching input indicators: number of BA and MA students; research indicators: doctoral students; other indicators: number of staff, departments and floor space), *process* or *throughput indicators*: students who sat for assessment, the retention ratio and the number of patent applications and *output indicators* (graduate employment rate, international staff, community outreach and strategic plans of universities).

Such an elaborate performance-based funding formula is not the case for Malta's HEIs. Their funding is highly dependent on the central government through a pre-determined annual budgetary amount. The only instances when funding has a performance related element is when a funded project either locally or internationally, is involved.

6.5.2 Institutional income

Table 6.12 presents institutional income by analysing the three main income streams of UM and MCAST: direct transfers from the central government budget, fees generated and external funding, mainly from EU sources. These three financial performance measures provide a time-series of how Malta's institutions have been generating funds.

The period under review shows that Malta's public institutional funding has been provided by the central government to approximately 73% of the total UM budget and more than 96% in the case of MCAST's budget. These high levels of public funding do not reveal only the reliance on central government financing but also disclose the absence of a connection between public funding and performance contrary to the trend in the rest of Europe. Worth noting is that at UM the proportion of funding depending on external sources averages 85%, while at MCAST this is 98%. These figures were calculated from the annual accounts of both institutions over the period 2013 till 2018.

Income generated from the entrepreneurial activity at UM in the form of fees and other income are in the range of 15% to 20% annually, which means that one-fifth of the institutional revenue is derived from this source. External funding constitutes between 7% to 10%, another financial injection that is reliant on external sources some of which through government grants and initiatives. At MCAST, the figure is much lower, a marginal 2% to 3% only.

Table 6.12: An overview of UM's and MCAST's institutional income

Year	2013	2014	2015	2016	2017	2018
Central Government Funds						
UM	53,462,326 (70.9%)	58,027,333 (72.1%)	62,069,493 (73%)	68,889,666 (73.9%)	69,287,311 (72.9%)	77,822,501 (74.7%)
MCAST	18,199,999 (97.3%)	19,799,989 (96.5%)	21,679,985 (95.9%)	23,299,983 (96.6%)	24,855,399 (96.9%)	25,583,829 (95.8%)
Course Fees						
UM	6,271,216 (8.3%)	6,406,801 (8%)	6,899,568 (8.1%)	8,749,290 (9.4%)	8,800,924 (9.3%)	9,113,770 (8.8%)

MCAST	8,992 (0.05%)	40,405 (0.2%)	91,317 (0.3%)	165,970 (0.7%)	300,469 (1.1%)	531,264 (2%)
EU and external funds						
UM	7,774,156 (10.3%)	8,098,553 (10%)	7,057,362 (8.3%)	7,764,953 (8.3%)	7,701,411 (8.1%)	7,739,631 (7.4%)
MCAST	496,482 (2.7%)	669,512 (3.3%)	837,972 (3.7%)	651,027 (2.7%)	501,853 (2%)	577,044 (2.2%)
Other Income (mainly interest, conferences and rent)						
UM	7,912,654 (10.5%)	7,943,553 (9.9%)	8,996,864 (10.6%)	7,787,956 (8.4%)	9,247,718 (9.7%)	9,461,627 (9.1%)
MCAST	374*	832*	573*	180*	250*	91*
Total Income						
UM	75,420,352	80,476,240	84,993,287	93,191,865	95,037,364	104,137,529
MCAST	18,705,847	20,510,738	22,609,847	24,117,160	25,657,971	26,692,228

Author: Colin Borg (2020) - Table presenting financial figures that are extracted from UM's and MCAST's Annual Reports & Consolidated Financial Statements. The Central Government Funds, Course Fees & EU and external funds represent the main income items.

**Negligible amounts well below 1%.*

Percentage figures were rounded to the nearest point.

6.5.3 Institutional expenditure

Expenditure is another important variable. Recurrent expenditure in the period 2013 to 2018, as portrayed in Table 6.13, absorbs almost all institutional income, leaving little or nothing for investment in research and new projects.

Table 6.13: An overview of UM’s and MCAST’s institutional current expenditure versus income

Year	2013	2014	2015	2016	2017	2018
Staff and Operating Expenses						
UM	74,762,392 (+657,960)	79,225,265 (+1,250,975)	82,788,488 (+2,204,799)	88,825,185 (+4,366,680)	93,521,012 (+1,516,352)	102,637,599 (+1,499,930)
MCAST	18,750,647 (-44,800)	20,543,530 (-32,792)	22,213,487 (+163,973)	23,719,519 (+372,501)	25,546,107 (+111,864)	29,569,512 (-2,877,284)
Total Income						
UM	75,420,352	80,476,240	84,993,287	93,191,865	95,037,364	104,137,529
MCAST	18,705,847	20,510,738	22,609,847	24,117,160	25,657,971	26,692,228

Author: Colin Borg (2020) - Table presenting financial figures that are extracted from UM’s and MCAST’s Annual Reports and Consolidated Financial Statements. The provided financial figures were not adjusted for inflation. Inflation is between 1.5 and 2% during the period under review.

This is a worrying indicator since without the assurance of central government funding, Malta’s HEIs would not even be in a position to finance their salaries and operating expenses. In fact, the staff and operating expenses in both institutions absorb almost all institutional income. MCAST’s financial years 2014 and 2018 show a marginal deficit, which means that MCAST was unable even to cover its recurrent expenditure, let alone having the funds for capital expenditure. It is to be noted that staff salaries have significantly increased in both institutions as a consequence of the growing number of projects co-financed by the EU

6.5.4 Managing knowledge and research and finance

An interesting, creative notion of raising funds from research with the participation of the business community and the civil society was created through the establishment of RIDT: The University of Malta Research Innovation and Development Trust. This trust fund, established in 2011, fosters public and business awareness of the importance of research. In Academic Year 2016/17, the Research Initiatives totalled 1,302,650 euros which, although a relatively small amount when compared to the total UM budget, is still significant considering that it is raised by business

organisations and NGOs. The RIDT-funded projects extend to health issues, digital media, telecommunications, medical physics, chemistry, machine learning, signal processing and autism, among other domains.

The connection between fund-raising and research is exhibited in Table 6.14. As with RIDT funding, the largest proportion of funds generated for research, innovation and knowledge come from external sources, local or European funds. The EU funds absorbed over eight years are equivalent to 80% of an entire annual central government allocation to the University.

Table 6.14: Research Grants at UM emanating from external sources

Year Awarded	UM EU/International Research Grants (EUR)	UM Local Research Grants (EUR)	UM Total Research Grants (EUR)
2004	2,986,366	-	2,986,366
2005	2,103,876	416,492	2,520,368
2006	3,233,683	87,724	3,321,407
2007	1,105,812	249,471	1,355,282
2008	2,345,670	541,151	2,886,822
2009	2,194,819	165,228	2,360,047
2010	2,453,508	146,068	2,599,576
2011	5,439,061	809,098	6,248,158
2012	5,454,175	917,946	6,372,121
2013	5,080,716	943,663	6,024,379
2014	3,895,422	161,500	4,056,922
2015	4,157,686	1,113,019	5,270,705
2016	6,061,531	543,638	6,605,169
	46,512,323	6,094,999	52,607,322

Author: Colin Borg (2020) - Table presenting financial figures provided by the Projects Support Office.

This situation is contrary to what has happened in Europe. In Austria, a performance agreement was introduced which each university has to fulfil in order to get the funding; in Denmark, an internationalization taximeter was implemented which resulted in having universities awarded for

every incoming and outgoing student; and in Finland internationalization is rewarded on several criteria that are based on student mobility, Master's and doctoral degrees awarded to international students, international teaching and research personnel, and international research funding (Pruvot, Claeys-Kulik & Estermann, 2015).

6.6 Conclusion: the challenges of indicators

The data presented in this chapter hints at four main conclusions:

First, there has been an attempt to introduce diverse human resources, financial, knowledge management and student participatory measures but the fundamental problem is that these measures do not form part of a holistic framework of performance management. Most of the measures were introduced *ad hoc*, without studying the consequences for the entire institutional management. National statistics on human resources, financial and student participatory indicators are not available, and institutions are still struggling to collect and analyse the data available. Hence, the very foundation of a performance oriented institutional culture is in jeopardy. Without a performance-based vision, and appropriate programme design, the managerial engine of Maltese HEIs will be ill-prepared to face the challenges of higher education. Malta's public HEIs still have a long way to go in order to be ready for the eventual introduction of a national and an institutional KPIs framework.

Second, the challenges confronting the University of Malta are bigger and more complex than those of the smaller University College within MCAST that was only launched in 2015. Despite increasing competition from the private sector, UM has held on to a large market share. MCAST has also a substantial share that is larger than the aggregate market share of the private institutions but is still relatively new in the tertiary sector. Therefore, any comparisons must keep this important detail in mind.

Third, the study of performance management involves various indicators. If they are to present a true assessment of an institution's performance, most have to be interpreted alongside the social, economic, political, cultural and technological context in which they operate. This could be a

fascinating separate exercise, keeping in mind the prospects of enacting a University of Malta Act. The proposed Act could bring about significant changes in terms of governing arrangements which are bound to influence UM's managerial processes. If the University Act is introduced, it would be interesting to see what would happen to the general Education Act and whether it leads to other ad hoc legislation for individual institutions, especially MCAST.

Fourth, not all aspects of performance are measurable. Human resources effectiveness in working in tandem with external stakeholders and with the national needs, embracing active student involvement in the institutional structures such as boards and committees, guaranteeing research quality, trust, networking, leadership, the conditions surrounding small islands states, institutional culture, complexity, risk, uncertainty and chaos are all situational factors that raise questions about how realistic it is to just rely on a national and institutional performance indicators framework. Chapters 4 and 5 identifies aspects of governance that cannot be measured, or not measured meaningfully. Chapter 7 assesses the notion of non-quantifiable and even quantifiable indicators, especially the performance limitations, within a strategic and policy framework setting. Chapters 8 and 9 provide a review of institutional indicators within an overarching national framework.

CHAPTER 7

LINKING STRATEGY, GOVERNANCE AND MANAGEMENT FOR ENHANCED INSTITUTIONAL PERFORMANCE

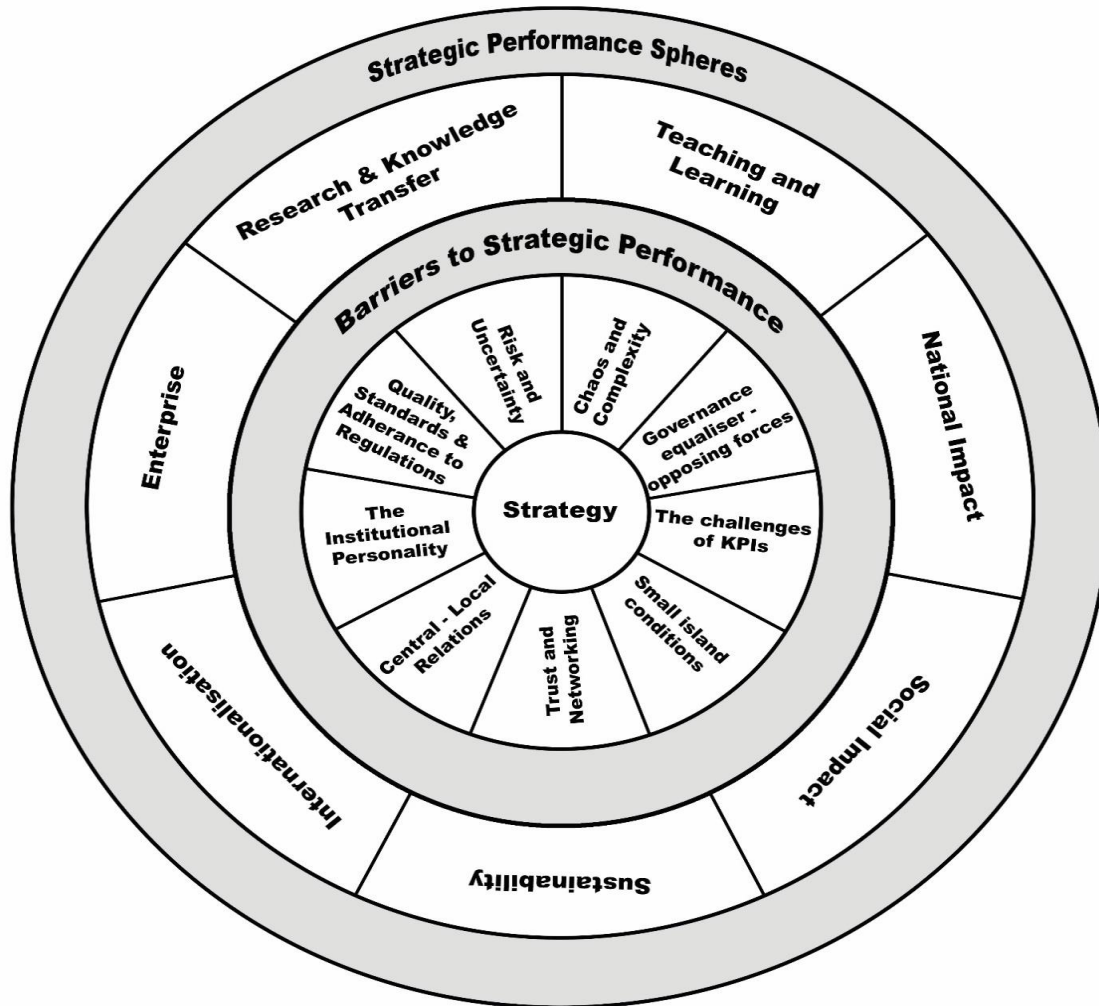
7.1 An introduction to strategy: towards a compass model

A study of the interplay of context, governance and management in enhancing institutional performance would be incomplete without an analysis of the part played by strategy. Accordingly, this chapter assesses how the formulation and execution of strategic objectives are interrelated to governance and management in order to nurture performance oriented HEIs (de Waal, 2007). The aim of this chapter is therefore two-fold: first, to expose the governing and management challenges that HEIs encounter in becoming performance-oriented and second, to demonstrate that state-owned HEIs are instruments of national strategic objectives, which has implications for their own strategies and governance.

Figure 7.1 is a model, developed by the author, that presents three interconnected compass stages: the formulation of strategy, common barriers to implementation, and strategic themes. The barriers comprise: risk and uncertainty, chaos and complexity, the opposing forces of the governance equaliser, the challenges of KPIs, small island conditions, trust and networking, central-local relations and leadership. The eight variables were derived from the analysis in the earlier chapters (both secondary and primary sources) as well as from the observation sessions. The barriers against performance were identified and comprehensively presented in this model.

Earlier literature, particularly Jarzabkowski's (2005), highlighted barriers confronting HEIs while executing strategy. In her analysis of shaping strategic activity in practice, Jarzabkowski underlined goal ambiguity and different interests that are typical of a university context, the increasingly competitive environment dominating the higher education sector from the 1980s onwards, the heterogenous interests of staff working within one institution, the complexity of multiple strategies and competition for scarce resources.

Figure 7.1: Strategic Performance Spheres and Barriers to Strategic Performance



Author: Colin Borg (2020)

The model presents the pathway for this chapter, which has a three-fold focus: first, an explanation of the role of strategic governance within a context; second, an outline of Malta’s recent strategic planning initiatives in tertiary education, and third, a comprehensive investigation of the barriers.

The research methods include a review of the literature, document analysis, especially with regard to national and institutional strategies, and observation sessions of institutional strategic meetings, Council and Senate meetings at UM, as well as Board of Governors meetings at MCAST. The bracketed code numbers cite individual observation meetings, which shed light on the strategic

differences between UM and MCAST, the diverse institutional cultures and the distinctive personalities that shape the character of both institutions.

7.2 The role of strategic governance in the higher education environment

The shift from strategic planning to strategic governance, which seeks to achieve a series of strategic results (Ansoff, 1988: 235), meant that the institutional relationship with the external environment is a fundamental and underlying objective of strategy. HEIs cannot be regarded any more as simply spaces of intellectual endeavour, and learning: they have become prominent actors helping to attain a nation's policy goals.

The dynamic interrelationship between HEIs and the environment was expressed during the institutional strategic exercises through emphatic statements such as 'the present University's decisions will influence what happens in society, the economy and the entire country' and 'what is happening in childcare centres today that will influence HEIs in 10 to 15 years' time' (UMST04). The minister's contention was also that 'a higher education strategy cannot be formulated in a vacuum and is indeed a tool to craft tomorrow's higher education in tune with the external environment'. Other statements that were conveyed by participants included: 'Universities who talk among themselves are sick universities'. 'The University is in a listening mode to external stakeholders in order to reflect what we are doing' (UMST03).

Strategy essentially involves a plan to craft the future, a road map to establish the objectives and priorities as well as to make the necessary plans to achieve set targets. A well-designed strategy defines the context, structures, relationships with external stakeholders, and above all the mission and vision, nationally and institutionally. The vision specifies where the HEI wants to be in the future (Brink, 2018). The evolutionary process of converting the traditional public administration model into a business-like, results-oriented framework increased the importance of adopting a strategic process (Hughes, 2012).

The significance of strategy was highlighted during both UM's and MCAST's strategic forums. The statements that 'if you do not plan, things will fall apart', 'hope is not a strategy', 'a strategy is needed to have a vision for the future', 'we cannot implement unless a vision is crafted' and that

‘strategy is the creation of a future path’ were specifically emphasised in these forums (UMST01-04 & MCST01-02). MCAST’s and the UM’s strategy were discussed in 2018 and 2019 in preparation for formulating a plan for the next decade, setting the overall goals and providing a roadmap for achieving those goals by nurturing a culture of continuous improvement in the implementation stage through the KPIs mechanism (UMST04). The author was present throughout the strategic exercises of both UM and MCAST.

7.3 An overview of Malta’s strategic governance

Malta has formulated a national higher education strategy spanning ten years: 2014 until 2024 (NCFHE & MEDE, 2014). This was followed by the strategic exercises conducted at institutional level at both UM and MCAST, which exercises are analysed in detail in this thesis. The strategic exercises at both institutions started in 2018 and was concluded in 2019.

The multi-level agency model developed in Chapter 4 is evident in the national strategic document presented by NCFHE and MEDE that was developed in 2014. The crafting of the strategy involved the NCFHE and MEDE as the national authorities responsible for Higher Education and the other stakeholders: UM, MCAST, and the Employment and Training Corporation (ETC) that was redesigned Jobs+ agency.

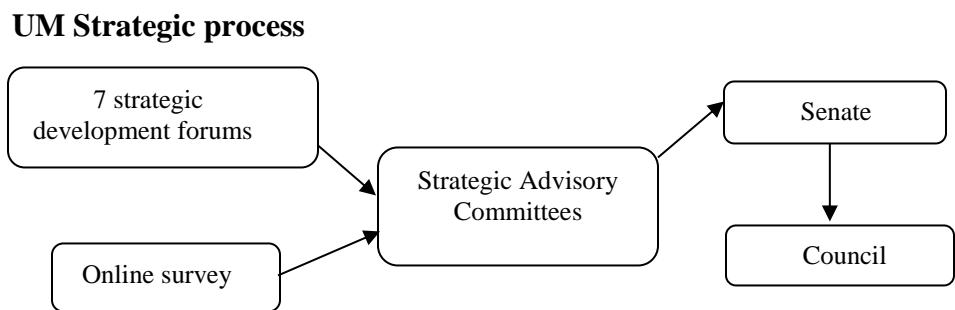
The first strategic plan for the University of Malta was written by Michael Shattock in 1990. This means that the first formal strategic thinking that was put on paper was around 220 years after the University’s launch. Shattock’s report set the scene for the University’s realisation that it has a role to play in the country’s economic endeavours and its response to the external needs. The report emphasised the importance that the University produces the necessary graduates to match the exigencies of Malta’s economy and the labour market at that time. The essence of the report traced a path for the University to become more strategic oriented, especially by focusing on the quality of teaching and research. It sought not to underestimate both the governing arrangement and the University’s management facets in terms of revisiting the governing bodies. In addition, it aimed to become more in tune with external exigencies, improving financial planning and control in a way that allowed the University to plan for the longer-term, and thus strengthening its income generation,

conducting a manpower analysis and collecting data that could be utilised for strategic purposes. At that time, the notion of having a University that responds well to developments in the world beyond the campus also highlighted the need to collaborate better with the external stakeholders. These issues form the basis of the analysis in Chapters 7, 8 and 9.

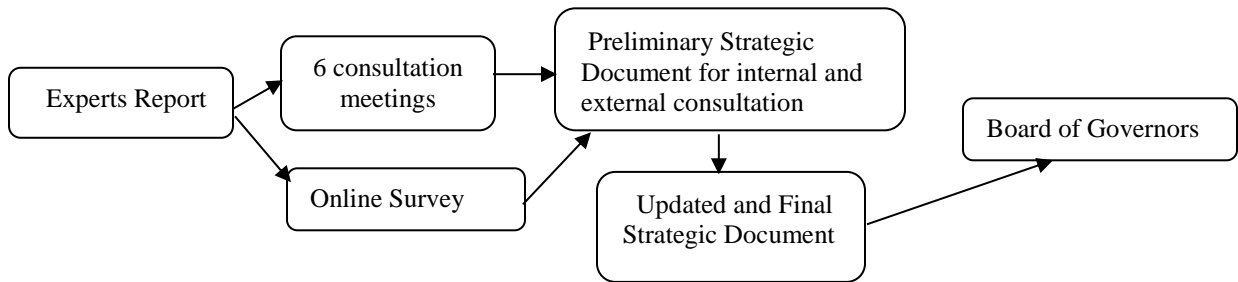
The Shattock Report was subsequently followed by another plan in 1998 for the years 1999-2001. The difference in the approach adopted at that time is significant since the strategy document was designed for just two years and as the strategic document itself specifies: ‘it was unobtrusively an in-house approach without publicity outside the institution’ (UM, 2003). Therefore, this first strategic exercise contrasts with the approach twenty years later, in 2018 and 2019. This strategic review involved an extensive list of internal and external stakeholders. Seven conferences were organised, mustering an average of 100 participants for each occasion. Furthermore, a steering committee was established, representing the Deans and Directors and an entire University community, that includes students and staff, of approximately 15,000 people. During the external stakeholders’ session more than 200 representatives attended; 40% of the participants represented private enterprises seeking collaborative opportunities with the UM. The remainder represented the government, social agencies and the media.

As shown in Figure 7.2, the conducted UM’s strategic exercise involved a collaborative approach with the external stakeholders as well as a meticulous mixed methodology that involved the following elements: the organisation of strategic development forums, an online survey that was conducted with both students and staff, a review from specifically appointed advisory groups and finally, approval from the highest governing bodies, Senate and Council.

Figure 7.2: Strategic planning models used at UM and MCAST: 2018 - 2019



MCAST Strategic Process



Author: Colin Borg (2020)

MCAST’s experience and approach to the strategic exercise resembled that adopted by the UM, though with some notable differences. MCAST did attempt to compile a strategic document from its inception (since the year 2000) but the college never published any document until February 2018, eighteen years after the founding of this newcomer to the Maltese higher education scene. The published document was a concise version of a report drafted by a group of experts, following the appointment of the new leadership: President and Principal (MCST02). The expert report gravitated around a comprehensive spending review led by Professor Maurice Mullard and it had outlined the main strategic achievements, stating that ‘MCAST is a story of success’ and ‘It started as a College but evolved into a HEI’. The expert report also highlighted strategic challenges including: ‘the need to create governing structures that create a sympathetic environment and less bureaucracy’, ‘an environment that encourages more staff to read for doctoral degrees’ and ‘the salient need to improve data tools for evidence-based decision-making’ (MCST03).

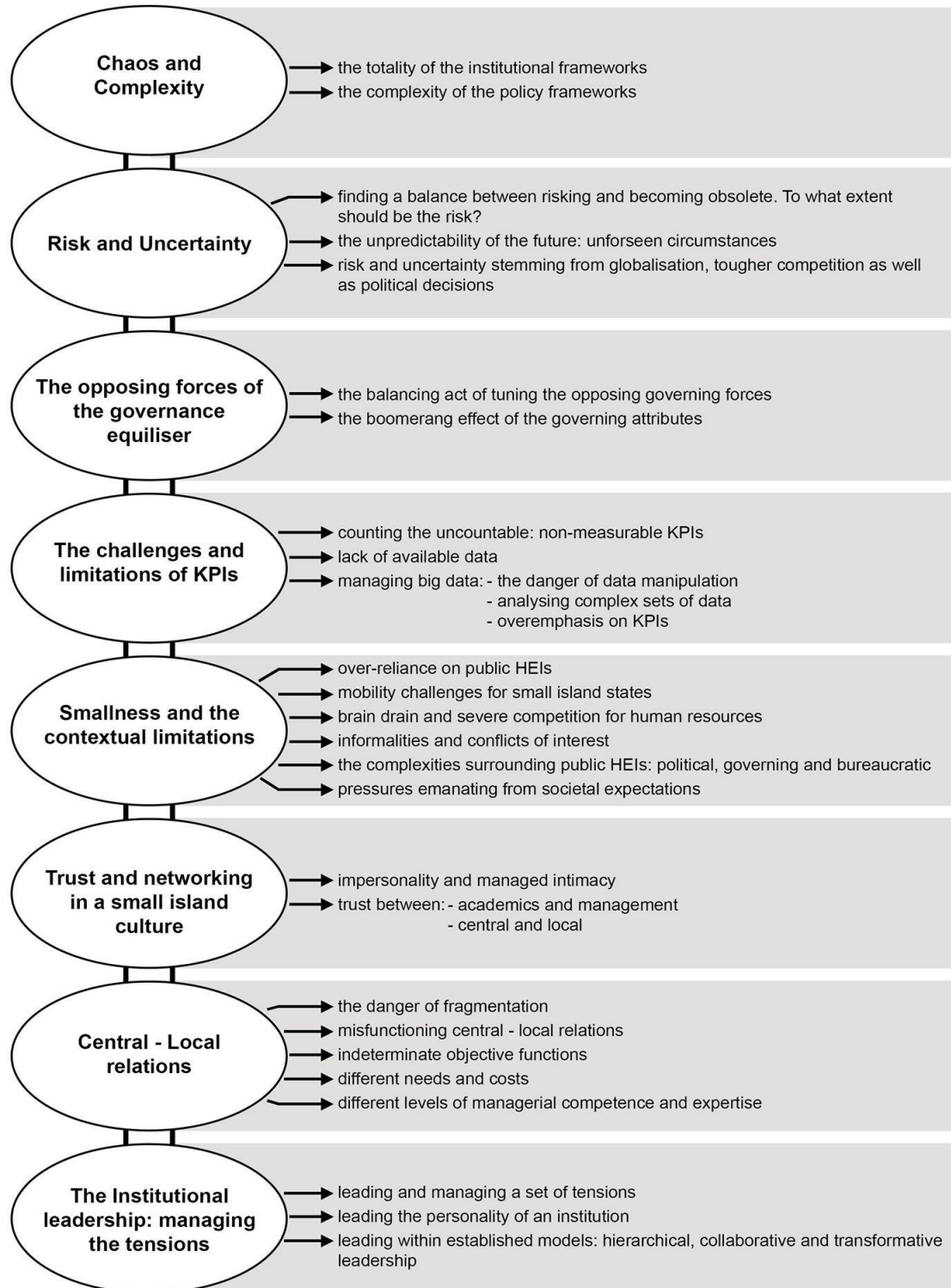
Therefore, the point of departure was the experts’ report which was followed by an extensive consultation. The internal consultation lasted six meetings embracing all the different institutes within the college. This is similar to the seven consultation conferences organised by UM, but on a smaller scale. The next stage was to devise a preliminary strategic document entitled: *MCAST Strategic Plan 2019-2021 – Inclusion, Excellence & Equity – a brief overview for consultation*. This stage differs from the University’s approach, which was to publish the strategic document at the final stage of the process. By publishing preliminary and final strategic documents, MCAST

distinguished clearly the strategic process into two main stages, the internal and external consultation phase, which was guided by the expert input (MCST01).

The manner in which the strategic consultation forums were held at both institutions was significantly different. Whilst the duration of the UM's meetings was 5 to 6 hours, MCAST's meetings were very brief, just 1 hour. UM adopted a more conventional and formal approach by starting the meeting with speeches by the Rectorate, which led to 7 different thematic workshops and closed the sessions through a presentation raised during the workshops. This *modus operandi* reflected the tradition of a relatively old University. MCAST's approach was lighter and informal, which reflected the 'youthfulness' of the vocational college. In fact, one of the meetings started by asking the participants to choose the cutest from among five kittens. This relaxed environment led to other questions about strategy but introduced the subject incrementally in order to put the participants at ease. Questions included: 'If you were talking to a foreigner, how would you describe MCAST?' and 'If you were Principal for a day, what would you change?'(MCST02). MCAST's consultation meetings continued with another two exercises: a written question and answer task that reflected the strategic themes of the preliminary document and an online survey. Although innovative, this approach left almost no room for a live discussion. The exercise was entirely done online or paper-based. Such an approach reflected the fear of a backlash with lecturers as during this period the college faced an industrial dispute with the Malta Union of Teachers (MUT) over lecturers' conditions of work (MCBG01). This episode demonstrates the way in which contingencies are enmeshed with long-range planning and strategy, crisis management with governance, and troubleshooting with visionary leadership.

7.4 The challenges of strategic performance

Figure 7.3: The Challenges of formulating, implementing and monitoring a strategy



Author: Colin Borg (2020)

In Brink's (2018: 292) terms the strategic plan is the efficient cause, the propulsion of the vehicle and the Newtonian force that moves the institution along. The driving force of an institution is derived from the governing structures and the managerial ability to implement the specified strategic aims in order to achieve the performance indicators. This section analyses how a comprehensive set of enablers and inhibitors influence higher education strategies.

Figure 7.3 is a model of the main challenges to craft, implement and monitor an institutional strategy. It presents a synthesis of the inhibitors or barriers that were observed during the participation sessions. A set of factors were analysed separately but are elements of a dynamic and interrelated multi-governing process.

7.4.1 Chaos and complexity: the conundrum of policy design in higher education

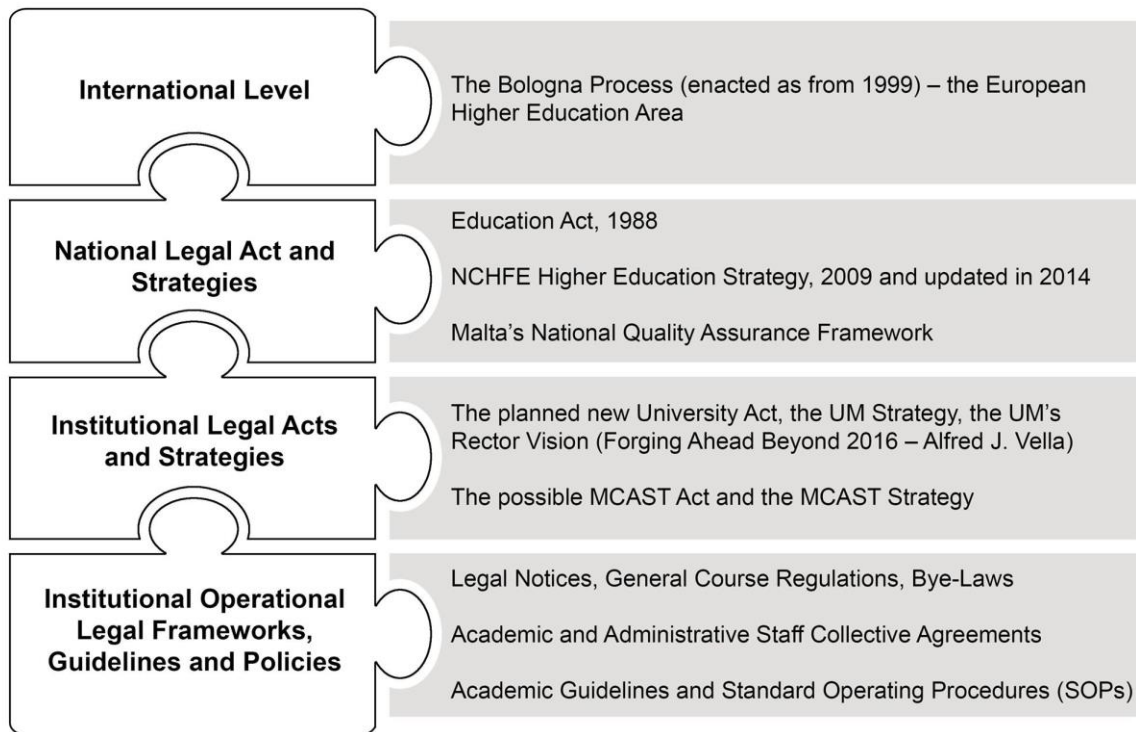
The first evident challenge of strategic governance is chaos and complexity. Complexity is multiplied by a multi-level approach that leads to a convoluted web of strategic initiatives that are expected to be synchronised and well-coordinated. HEIs face the threat of chaos which is a direct consequence of complexity and is an opposite force to order, logic and rationality (Çakar and Alakavuklar, 2013).

The challenge of complexity is manifested in numerous ways. Barnett (2000) stressed a challenge: that of overload of data, entities and clients. This is indeed a foremost difficulty for a strategy: the inability of staff to apprehend the totality of the institution and its environment. Several strategic forums that were held at UM revealed the ignorance or the lack of knowledge of both academic and administrative staff of the existing structures and processes. At one of the strategy meetings (UMST01) the University's Pro-Rector expressed his surprise that academics were not aware of management support units such as the Project Support Office and the Knowledge Transfer Office that were created to assist academic staff. It showed the failure of UM to communicate effectively information about such units to its staff. This incident is just one example that confirms the unfortunate truth that an assemblage of more than 300 units results in a labyrinthine organisation that makes it difficult to achieve desired strategic objectives and performance targets.

The more strategies are devised at institutional and national levels, the greater the need to craft an over-arching policy framework that provides comprehensive, coherent organising principles (Hunt, 2011). Malta's experience is a case in point. Even though Malta is a micro-state when compared to Britain and Ireland, which have either developed or proposed to develop a higher education policy framework, such frameworks are nonetheless essential.

The aim of any policy framework is to conserve institutional diversity while providing governance that secures coordination, institutional collaboration and co-operation among the stakeholders. Figure 7.4 reveals the complex web of Malta's higher education framework through multiple governing arrangements. The figure demonstrates the inter-penetration of these various facets, none of which is self-contained or entirely autonomous. It is also worth noting that these elements are not co-terminous, each one and its individual components has its own lifecycle. Challenges of this kind were pointed out by Barnett when he alluded to super-complexity as the 'outcome of a multiplicity of frameworks' (2000: 415). The risk is that with so many existing frameworks, stakeholders will not be sure which framework they are to engage with.

Figure 7.4: The policy and strategic facets of Malta's higher education



Author: Colin Borg (2020)

The highest level involves the international sphere and is focused on the Higher Education Area within which the Bologna Process is implemented. The second level includes national strategies, policies and legislation that directly or indirectly influence Malta's higher education. This level comprises the Education Act, 1988, the NCFHE Higher Education Strategy and the national policies concerning Higher Education. The third level constitutes the institutional strategies and possibly the planned institutional legislation. This level also includes the UM Rector's vision which is articulated whenever a new Rector is appointed. The fourth and lowest level has an administrative and operational nature but nonetheless plays an irreplaceable role in the implementation of strategy. This level is composed of the collective agreements for academic and administrative staff, the promulgated legal notices that embody the general regulations, course bye-laws, academic guidelines and standard operating procedures (SOPs).

The conundrum of policies is further accentuated by multi-dimensional factors highlighted by Capano, Regini and Turri (2016). These multi-dimensional factors, that are discussed throughout

this chapter, draw in leadership, cultural and motivational aspects, the institutions' operational environment, political tensions and central-local institutional relations.

From these factors as well as the expert knowledge required of institutional leadership and management emerges the effective implementation of a national strategy at national, institutional and operational levels. Malta's national strategy to become 'Blockchain Island' is one such instance. The introduction of Blockcerts (Malta Chamber, 2019), a joint strategic choice by MEDE, UM and MCAST involved a multinational company, Learning Machine. External expertise was required to assist in a pilot run between UM, MCAST and MEDE, while both UM and MCAST had to streamline their administrative processes as well as prepare their respective IT systems to be able to operate this innovative technology.

7.4.2 Risk and uncertainty: what future?

Complexity, lack of cohesion and discontinuity create risk and uncertainty. Chaos occurs where events that are purely random reach a critical threshold and destroy any order in a system. This is a rare occurrence. Lack of cohesion and discontinuities stemming from poor institutional and systems design, problems with communication, as well as dysfunctional leadership are commoner phenomena. Risk and uncertainty present three main challenges for governance and management of HEIs: the unpredictability of the future, the adaptability of HEIs to societal priorities and the political conditions surrounding institutions.

Predicting the future can be futile or impossible in rapidly changing environments. Risk and uncertainty expose the real threat to HEIs in a turbulent environment. The challenge is a double-edged sword: on one hand if HEIs do not risk anything they end up risking even more, that of becoming obsolete, but on the other hand risk is not anymore always possible to calculate or to predict, therefore risk-taking could be seriously problematic. Traditional notions of strategic forecasting, such as that proposed by Davey (2018), argue that risk and uncertainty in the future can be mitigated by a three-step process: first, by establishing what has happened in the past; second, appraising the present situation and third, brainstorming and anticipating the likely future.

The contemporary context indicates that meticulous analysis in the traditional manner does not always help to predict even the immediate future. HEIs have to inevitably face surprises and unpredictability. The COVID-19 pandemic and Brexit phenomena are recent events that took everyone by surprise. Who had predicted these phenomena in 2020 and 2016 respectively? COVID-19 has changed the *modus operandi* of HEIs overnight. The strategies crafted by UM and MCAST just months before had to be revisited in the light of the new realities. Universities everywhere had to close their doors and depend almost entirely on online teaching and learning. Therefore, suddenly online teaching became a matter of survival for institutions. International students, especially Erasmus students, had to return to their home country and it is to be seen what long-term effects this will have on institutional coffers. HEIs are also speeding up their efforts to deal with assessments and to scrap traditional on-campus examination setting. These efforts have put other institutional initiatives on the back burner. Therefore, the priority and sequencing of the strategic initiatives changed dramatically. These episodes reveal that risk and uncertainty also arise from institutional adaptiveness to socio-economic or environmental contingencies. Before COVID-19 prevailed, HEIs were already struggling to keep up with the rapidly changing economies. Dynamic labour markets are making teaching and learning delivery outdated very quickly. This instance was stressed consistently during the strategic exercises by citing the ratio of the speed of the labour market vis-à-vis education is 5 to 1 (MCST03). Skills required for employability especially in an IT-oriented economy are changing in an unprecedented manner. It is indeed difficult, if not impossible, to predict the future impact of blockchain and artificial intelligence and their roles in higher education within 5 years.

British HEIs were significantly impacted by the surprising outcome of Brexit given that 12% of the research income came from EU funding. The United Kingdom has also been a top performer in the competition for funding emanating from Marie Skłodowska Curie Actions (MSCA). Brexit has led to significant strain on British researchers and the reallocation of EU funds to other countries such as Germany is only one facet of the problem. Employability is another problematic dimension given that 70% of British researchers had worked abroad and one third in EU countries (Courtois, 2018). This development also had consequences for Malta's HEIs because it became necessary to negotiate a specific bilateral agreement with Britain to mitigate this circumstance.

Risk and uncertainty for public HEIs arising from harsher, globalised competition is also prevalent in Malta with the rise of licensed private HEIs, currently numbering 73. Although the gradual expansion of the private market share is easily predicted, the national strategy of developing Malta's higher education sector into an economic niche is in a way creating uncertainties. The doubtful future of the heavily promoted American University of Malta (AUM) raises questions about the prospects of internationalising the higher education sector. The forecast enrolment at AUM of 4,600 students by 2026 seems unattainable in light of the statistically insignificant number of 15 students enrolled in 2018, increasing to just 131 in 2019 (NCFHE, 2016).

From governance and political perspectives, Malta's scenario presents an uncertain future given that the UM Act has been on hold from the year 2016 while MCAST's Act has been in the pipeline for more than a year, since 2019. The reason for this hiatus raises another perspective on risk and uncertainty, which originates from discontinuities in the political system and, consequently, in policy cycles. In 2017 there was an end to a legislature after an early general election was called which subsequently saw the reconfiguration of government in June 2017, on account of the elections, and in January 2020 the appointment of a new Prime Minister.

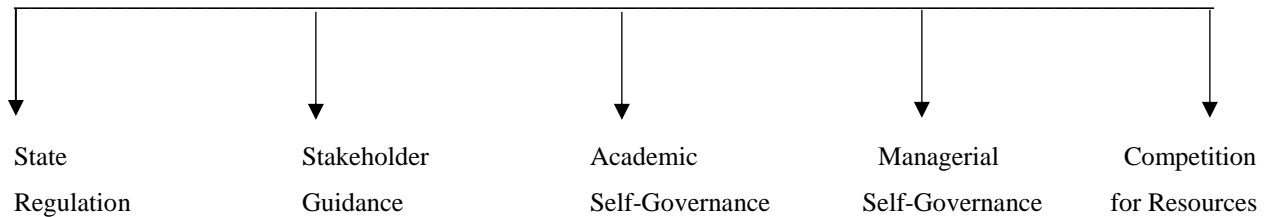
These changes have halted significantly the progress of both the UM and MCAST proposed acts. This uncertainty has a cascading effect given that legislation will eventually define the role of executive boards, participatory mechanisms and leadership roles in both institutions.

7.4.3 The opposing forces within the governance equalizer: the boomerang effect

The 'governance equaliser' developed by de Boer, Enders and Schimank (2007), brings to light the influence of governance and management issues to select, formulate and to achieve institutional strategic goals. The authors examined university governance in England, the Netherlands, Austria and Germany by supposing that the 'configuration' of governance comprises five elements as shown in Figure 7.5, namely state regulation, stakeholder guidance, academic self-governance, managerial self-governance and competition for scarce resources. They developed the analogy of an equaliser by assuming that each governing variable can be tuned up and down independently from each other in accordance with prevailing circumstances (2007:141). The resulting harmony or disharmony creates a performing outcome in all facets of the KPIs framework: input, process, output and

outcome performance indicators. The metaphor of the ‘sound tune’ in the form of a governance equaliser influences an interplay of institutional, systemic, political and leadership factors.

Figure 7.5: The Governance Equaliser: enablers or inhibitors to performance?



Author: Colin Borg (2020)

In practice, higher education governance and managerial dynamics are not as simple as the model sketched out in Figure 7.5 suggests. While the five elements are undoubtedly constitutive of governance, there are instances that show that this enabling assumption is not always the case. At times, the elements are rather inhibitors of management and desired performance. The governance equaliser does not always work harmoniously. : indeed, its elements may produce an inverse boomerang effect’.

The planned new UM Act is one example of a governance enabler in the form of state regulation that would very likely have inhibited academic and managerial self-governance. University academics perceived the way that the University Act was originally proposed as undermining institutional autonomy since the proposed Governing Board would not only be a watchdog for Senate and Council but could become the highest decision-making body and would therefore hinder the present democratically elected and participatory Senate and Council bodies. Academics feared that the Governing Board, as proposed by this new state legislation, would serve as a bridge with the Central Government and would severely control the internal affairs of the University and limit the University’s powers (UMSN01). The University of Malta Academic Staff Association (UMASA) through its official position paper as a reaction to the proposed University Act ‘strongly opposed the creation of a Governing Board’ (UMASA, 2017).

State regulation in the form of funding, which *prima facie* is a substantial governing and managerial enabler, also acts as an inhibitor to institutional performance when institutional budgets come to rely on the state's quarterly financial injection. As a result, Malta's public HEIs are not able to plan strategically or autonomously by embarking on new projects that require heavy funding and the negotiation of bank loans. Other examples of intended governing enablers that served as inhibitors were the newly set-up structures intended to assist the academic domain but in certain instances turned out to be another bureaucratic level that exhausts academic initiatives. APQRU is was an example mentioned several times during the University's strategic meetings (UMST02-03). Yet, a number of academics during Senate meetings expressed the view that APQRU is unfailingly helpful and useful (UMSN 03, UMSN05-06). These adverse perceptions about this central quality assurance unit raise questions about the psychology and the legitimacy of governance or management initiatives in the eyes of the academic community.

The extent of stakeholder involvement may also have an inverse influence on managerial efficiency and autonomy. While stakeholders must be involved, HEIs are often required to take decisions rapidly before the contextual change becomes an opposing force. The more extensive the stakeholder involvement, the longer it takes to devise a strategy and to take the necessary operating decisions. To counter this problem external involvement in both UM's and MCAST's strategic planning processes was limited to three months.

Another example of the rebound effect of an intended managerial enabler that became an inhibitor was the introduction of 'Academic Effort' at UM in 2008. Academic Effort was intended to instil the idea of performance amongst academics but the failure to count all activities undertaken and the absence of a minimum threshold transformed this well-intended exercise into a bone of contention between management and academic staff. MCAST's model of offering hybrid roles for their IT lecturing staff to help the college in developing in-house IT databases also backfired when the College ended up paying much higher salaries than the cost of recruiting IT technical staff at the going labour market rates (MCBG02). This argument leads to the next question that is a core theme in this thesis: the effectiveness of Key Performance Indicators (KPIs).

7.4.4 Towards evidence-based decision-making: the challenges and limitations of KPIs

Strategy and evidence-based performance have become closely related as the availability of qualitative and quantitative data is supposedly to lead to better decision-making (Barends, Rouessau & Briner, 2014). The challenge lies in identifying appropriate performance indicators outlined in strategic plans.

Malta's higher education strategies, the national strategy (MEDE & NCFHE, 2014) as well as UM and MCAST's strategic documents have identified strategic 'pillars' comprising clusters of initiatives and measures designed to achieve selected strategic directions, but no specific quantifiable indicators were outlined. MCAST's strategic document specified seven main strategic directions: investment in modern infrastructure, strengthening quality and relevance to enhance the student's experience, work-based learning, reinforcing the image of vocational and professional education and training, local and international partner networking, providing support and reinforcing governance and management, and sustaining sustainable innovation (MCAST, 2019). UM's strategy selected a different set of strategic pillars reflecting the institutions' nature and character: learning and teaching, research and knowledge transfer, societal impact, enterprise and industry impact, national impact, international outlook, sustainability and service and administrative support (UM, 2019). UM's outlook is more comprehensive than MCAST's from a national perspective. UM's strategic pillars show the University's prominent role in Malta's economic and social fabric. The difference in the nomenclature used by the institutions with regard to governance is also striking: MCAST stressed governance and management while UM's terminology focused on a more traditional approach of administrative support.

On the other hand, both institutions chose a similar instrument to monitor the implementation of the strategic documents. MCAST established a monitoring and performance management mechanism to report to the Board of Governors (MCAST, 2018) and a specialised office to oversee the strategy's implementation (MCST03). At UM, the Office of the Secretary exercises oversight of implementation in concert with the Quality Assurance Committee (QAC). The formulation of the strategy was in the hands of the Pro Rector responsible for enterprise.

Having identified the strategic ‘pillars’, the identification of performance indicators becomes necessary. There are facets of performance measurement such as the performance of IT-based management systems, the number of training courses delivered, the human resources recruitment and retention rates, the number of students, the number of international students, and financial measurement targets that can be completely measured. There are, however, national and institutional performance indicators that cannot be measured at all or can be only vaguely or partially measured; thus, their effect on strategy and performance cannot be adequately estimated. The non-measurable or partially measurable variables include the following: the size of the state in which the higher education system is operating; institutional character, cultures and sub-cultures; trust, networking, leadership, compliance with regulations, responsibility, accountability, transparency and meritocracy. At the same time, the field of measurement and indicators is rapidly developing with the use of proxy measures that permit ranking of things such as merit or accountability.

The first challenge concerns the lack of available data or managerial and technological tools to manage big data, which could potentially lead to either paralysis or confusion. MCAST’s IT infrastructure is still being developed and facing serious difficulty in finding the necessary IT employees that could manage the IT systems even if they are outsourced (MCBG01). UM’s IT infrastructure is much more sophisticated, but more development needs to be conducted to re-engineer a wide range of IT systems under one umbrella.

Even if the best IT infrastructure imaginable is developed, the required data to calculate a KPI may be incomplete at the time of evaluation. Researchers such as Moyinhan and Vakkuri & Meklin highlighted that public authorities experience difficulties to obtain useful data at the time of reporting (Cited in Taylor, 2007). It is also possible that data changes frequently and renders the exercise either fallacious or impossible to conduct. Enrolment data is one example, especially at the beginning of the Academic Year when there are significant changes in the number of enrolled students every day, due to student withdrawals and failure to progress to the next year. This influences the calculation of the total student number, a fundamental KPI for every HEI. Evaluation of KPIs is also difficult whenever several initiatives are introduced simultaneously (Bird, 2005). MCAST’s drive in 2019 to introduce more Masters courses in several niches such as Environmental Engineering, High Performance Buildings, Water Resources Management and Mechatronics rendered it difficult to analyse data within MCAST especially when considering that the University

college was dismantled and MCAST comprises a mix of levels that not all are of a higher education level.

Big data collected by institutions entails two main difficulties. There are technical risks when handling data. First, technical faults and manipulation of data are a potent challenge when designing KPIs, especially in the public domain where there are large volumes of data available used by a range of users, which data can be easily manipulated. Data manipulation could be done either by choice or because of incompetent use of complex data extracted from databases. If this happens, the whole exercise of devising, measuring and validating KPIs will be undermined. The most apparent risk lies in handling a lot of information emanating from strategic reports, audits, evaluations, budgets and other means of communication. Consequently, the ability to design a system that selects relevant data is one of the main challenges for effectively implementing performance management (van Dooren & Thijs, 2010). Extrapolating financial institutional data to assess reliance on external funding is a case in point, given that funding involves sources ranging from the central government, through state agencies, EU programmes, and international programmes, corporate donors and NGOs and individual donors. The number of programmes available at UM has always created a debate since two perspectives are used to calculate the total number of programmes available. The first perspective calculates all different academic combinations and the second perspective focuses on the awards nomenclature. The former totals more than 900 courses and the latter suggests a total of around 220 courses. The mistake featuring in the UM's Annual Report (2017: 13) exemplifies data sensitivity. Data concerning the total number of students at all academic levels was correctly retrieved through the SIMS database but the analysis and the calculation presented in the annual report was incorrect, since the international students were double-counted and inflated the global number to almost 13,000 when in fact it fluctuates from 11,500 to 12,000. This problem was highlighted by academics at UM's strategy meetings by proposing that the University should employ individuals from statistical agencies to provide insights on how to compile and utilize data (UMST02).

The second challenge is very much intertwined with the first: it revolves around the overemphasis on those performance indicators, such as the percentage of students attaining higher education level, that are easily measurable. Other indicators can be tricky to measure, such as the contribution of the higher education sector to national competitiveness and to the GDP. Overemphasis on KPIs could

not only dilute the importance of non-measurable performance attributes that are vital to achieve the strategic objectives but could also lead to over-analysis, which results in what Kurien, Paila and Nagendra (2104) termed as the paralysis-by-analysis syndrome. It essentially means that strategic and the corresponding operational decisions are never taken because in reality the optimal solution does not exist due to a bounded rationality model of decision-making. Over-complication of options leads HEIs to not take any decisions.

Overemphasis on KPIs could also lead to counting the uncountable. In Albert Einstein's terms 'not everything that counts can be counted, and not everything that can be counted counts' (van Dooren & Thijs, 2010). Indeed, the risk of overemphasis on KPIs could lead to very dangerous practices of focusing on those services that are counted as part of the KPI exercise. There may be crucial services that are not given the required importance simply because these services are not counted. In an attempt to deal with such practices, there has been a shift from outputs or processes to outcomes; therefore, outcomes are regarded as the real key results. This perspective is analysed extensively in Chapters 8 and 9. Nevertheless, there is still a risk of focusing too much on KPIs and on matters that are counted and measurable, rather than on those services that really matter.

7.4.5 Smallness and other contextual characteristics of Maltese public HEIs

The appraisal of performance would be simplistic if the context is ignored (Boyle, 2005). Higher education strategies are embedded within a national context: in Malta, within the context of a small island state. The 'small scale syndrome' has numerous facets, a point studied in Chapter 3.

Although Malta is a small state having a population of 460,297 (NSO, 2018) with an area limited to 316 square kilometres (UM, 2018), both the University of Malta and MCAST are medium-sized HEIs. Small HEIs have fewer than 5,000 students, medium HEIs have between 5,000 and 15,000 students and large universities have more than 15,000 students (CollegeData, 2018).

The fact that the University of Malta is the only public University in the islands makes it easier to lobby the Government for more operational and capital funds, as Malta's government relies heavily on the University to achieve economic, employment, social and other important policy targets. Malta's knowledge-based economy is largely staffed by UM and MCAST graduates: in fact, 95%

of all graduates are employed. Such a high percentage can be found in regions of larger countries such as the Dutch region of Zeeland, the Prague city region and the inner London West region (Eurostat, 2017). These figures show that smallness cannot be considered as the only determining factor, although it certainly influences the governance of HEIs.

Small scale favours Maltese HEIs in other ways. EU funding, specifically ESF and ERDF funds that are earmarked in Malta's budgetary framework, are easier to tap due to the lack of competition from other HEIs that could absorb large-scale projects or initiatives. The strategic exercises conducted by both UM and MCAST are examples of the favourable conditions that institutions could have in a small island state, since they could encompass the external stakeholders in a process lasting a few months.

Not all factors emanating from the conditions of a small island state are favourable. The reality that UM and MCAST are the main public HEIs places a great burden on both institutions to deliver, to sustain economic activity and labour market growth. UM's strategic process revealed citizens' as well as stakeholders' expectations and perceptions: that the University is indeed responsible for whatever is happening in Malta in all policy spectrums. The participants' discourse gave the impression that UM is a government extension (UMST01-05). Several participants expected UM to have the power and influence of a government by dealing with transport issues and 'change the car mentality', tackling the economy which precipitates 'the emphasis on a cash culture' and control 'the destruction to the environment due to economic progress'. HEIs are expected to develop what academics called as 'the total and holistic graduate' and to anticipate the national needs (UMST02-03) and 'to deliver uninterruptedly to society' (UMST04), otherwise they are criticised for absorbing public money without rendering the expected national and societal value for money. MCAST's responsibility is also significant given that it is the country's only public, vocational HEI. External stakeholders expected MCAST to be the main driver for change in specific economic sectors that require vocational training, such as aviation and the maritime industries (MCST03).

Logistical constraints facing small island states could also obstacles Malta's HEIs from strengthening the international dimension of the institutional and national strategy. Small island states have to work harder to attract regular international students and staff as well as mobility exchanges since logistical barriers act as a disincentive for prospective students to come to Malta.

It is easier to encourage mobility in countries where a train trip would be enough to cross to another country. Despite these limitations, UM's rate of 10% international students is better than 84 out of 144 UK universities (Complete University Guide, 2019). This means that UM's ratio is better than 58% of UK universities. Such an indicator reveals the integration of a globalised world and sustains the argument that HEIs in micro-states can achieve comparable performance indicators, despite their constraints. This scenario may change in the post-COVID-19 scenario.

Further restrictive conditions associated with small island states include brain drain and the severe competition for human resources especially in an economic situation of (near) full employment which Malta is experiencing. Bonnici & Cassar (2017) argue that the establishment of a University in a small island state increases the population's inclination to emigrate in search of better opportunities in larger countries. In small countries, the emigration of talent leaves a much greater impact than in large countries. The restricted pool of human resources encourages a generalist approach to skills and professional formation that brings with it both distinctive advantages as well as serious limitations on governance and operations. Governance limitations are especially evident in the incidence of conflicts of interest, as academics are expected to be involved in societal affairs and government operations. Numerous UM academics are appointed on government boards, a fact that in Rector's words 'shows the immense contribution of the University to society' (UMAB01) and indicates the influence that a public university in a small island state has on the government's operations.

Conflict of interest is accentuated when an academic is involved in parallel government or private organisations that are in direct competition with public HEIs. Both UM and MCAST do not have statistics to show the extent of this problem. A case in point is a member of the UM's academic staff who works within the Institute for Tourism Travel and Culture (ITTC) and who owns a licensed private HEI. These two scenarios raise questions about conflict of interest and human resources strain.

Small island states are, at times, overshadowed by policy-oriented, strategic and performance related factors that are similar if not identical to those found in large states. Several real-life situations can be cited to illustrate tensions and ambiguities that are experienced by public HEIs irrespective of country size.

First, from a legal and bureaucratic perspective, public HEIs have to face policy decisions, judicial complications and the long process of preparing laws (Handler, 2004). In Malta, the preparation and promulgation of regulations and bye-laws takes approximately six months to conclude. Therefore, an important decision that involves a change in the legal framework of the public HEIs is suspended for a long time. Private HEIs can change their regulations at a much faster pace, though also subject to NCFHE scrutiny.

Second, the difference between public and private sectors also features when considering the range of stakeholders that a public HEI has to deal with. A business enterprise is most often directly concerned with shareholders, employees, customers and lending banks, while public HEIs have a much wider circle of stakeholders, including on-going interaction with government, taxpayers and the general public.

Third, other pressures are exerted from the political sphere or from a societal perspective. Research published by Blaug, Horner and Lekhi (2006) shows that societal satisfaction has remained static even in situations where there has been an improvement in the level of service offered by public institutions. Public HEIs likewise deal with citizens who have predispositions, prejudices and very high expectations. To add to these challenges, public HEIs have to function within a democratic process that is driven by political forces, by the rule of law and constitutional principles of accountability, transparency and meritocracy. Procurement or calls for applications are channelled through an elaborate system of checks and balances, in contrast to the flexibility accorded to private HEIs. This is beginning to change, at least in larger private organisations, on account of the ever more elaborate arrangements for corporate governance.

7.4.6 Trust and networking in a small island state culture

Strategy is the prerogative of national governing institutions and institutional governing bodies, which were examined in Chapter 5. Their inherently complex organisation is compounded by the characteristic blend of formal, official, informal and impersonal relations that prevails in small island states, the interplay of ‘impersonality’ and ‘managed intimacy’ that dominate the governing

and managerial dynamics of an institution within a small state culture, subverting the impersonality and anonymity that are necessary for good governance (Phillips, 2014). This situation leads to accusations of lack of meritocracy, transparency and accountability given that in small island states personal contacts are very strong (Baldacchino, 2001).

Table 7.1: The nature of Ombudsman cases in the Education area

	2015	2016	2017	2018
Promotion denied unfairly	8%	8%	5%	9%
Post denied unfairly (filling of a vacant pos	3%	12%	10%	2%
Unfair/discriminatory treatment	49%	58%	61%	81%
Total	60%	78%	76%	92%

Source: Malta’s Ombudsman Report for the years 2017 and 2018 – extract of cases

As cited in Table 7.1, the nature of complaints lodged with the Parliamentary Ombudsman in the education domain that were related to lack of meritocracy, transparency and accountability in the management of human resources varied from 60% to a significant 92% (Parliamentary Ombudsman, 2018 & 2019). It is important to mention that the majority of cases were lodged vis-à-vis the UM and MCAST. Complaints about unfair treatment on academic grounds are far more numerous than those citing non-academic grounds, with a ratio of 16:1 (Parliamentary Ombudsman, 2019: 64). Although the number of cases in 2018 was just 50, they erode trust in Malta’s public HEIs.

Informal networks do not only have disadvantages. They may be advantageous in terms of participatory decision-making and close collaboration with the state institutions. The idea of appointing a government advisor at UM who represents the Ministry for Education and Employment (MEDE) is a unique case of an intimate relationship between the state and public HEIs that makes the relationship stronger and more effective, especially if resources are required from the central government. However, intimacy relationship presents disadvantages with significant political intrusion and the blurring of institutional boundaries that could undermine governance. The involvement of a government advisor or another government representative on all Council Committees and selection boards can be attributed to the colonisation of all state institutions by the governing party. The government advisor is also a source of redress for students and staff who

choose to lodge a complaint with MEDE rather than within the official channels of UM. This situation can be interpreted as evidence of ‘parallel’ governance. Official, politically neutral agencies provide one dimension of governance; alongside parallel agencies, that are also publicly funded but appropriated by the governing party, dispense patronage in one form or another, generally on partisan criteria. This is especially true in grievance procedures. MCAST does not have a MEDE advisor but the government’s role in the college is extensive, as was evident in the influence of the government members during the Board of Governors meetings (MCBG01-03).

The issue of trust and networking can also be observed within the management processes. The UM experiences the chronic tension between academics and management in numerous functions. Senate’s meetings are dominated by this issue whenever approval of regulations, programmes of study, marketing initiatives and budget control are discussed. Academics felt mistrusted by the central offices when a marketing research office was proposed to coordinate the marketing efforts amongst faculties. The same feeling was expressed with the lack of decentralised budgets and the inability to determine the use of human resources. Faculties expressed their concern that central governing structures can never manage faculties by reflecting the local needs, especially if there are more than 50 entities involved. Faculties were accusing the central administrative offices of managing the application process through purely algorithmic reasoning. This is particularly the case when deciding which courses are offered after the application period elapses and a financial analysis is conducted by the finance office on behalf of faculties (UMSN04). Senate members pointed out that the reason for mistrust is the poor communication between centre and periphery, and the absence of an academic representative at faculty level who would be responsible for the admissions process (UMSN02).

The counter argument is that trust is eroded vis-à-vis the state’s institutions if decision-making is delegated to faculties. It is commonly believed that academic units would open courses even though they are not economically feasible. When an external audit was conducted in 2015, the NCFHE concluded that an excessively long list of courses was being offered, though in fact many of those courses were not offered to applicants. This modus operandi also ultimately undermines trust with the institutional clients (UMSN04).

7.4.7 Central-local relations

Trust and networking lead us to another important thread in the strategic process, a healthy central-local relationship. The headache expressed at both UM and MCAST strategic exercises is how the core strategy crafted centrally is complemented by enabling strategies implemented by faculties and institutes. The University Rector's definition of the strategic plan is that it is a visionary, living document that is to percolate through all University entities (UMST01).

Bowen and Tobin (2015) stressed that a governing system is continuously evolving, and faculties are ultimately the agents that bring about the desired change and help HEIs to achieve objectives. However, the complexity and the danger of fragmentation that are found within public HEIs makes the central-local relations ambiguous and the collective action among several institutional units problematic. There are two levels of complexity and ambiguity that could lead to malfunctioning central-local relations. At both national and institutional levels, a shared governance approach is required in order to achieve KPIs (Bowen & Tobin, 2015). At an institutional level, effective internal communication is needed to link and coordinate the Rectorate, Deans, faculties, institutes, the academic staff and central administration in order to work towards the strategic initiatives (UMST03).

Three problems hinder such a shared governance approach. First, the sub-units forming the HEI or the state's institutions have different objectives which, in van Dooren's and Thijs's (2010) terms, leads to indeterminate objective functions. Indeterminate objective functions were evident during UM's Council meeting where the buying of a new building to house administrative offices was discussed (UMCN02). The government representatives were concerned on how much money would the central government need to finance the building while the UM members were more concerned about the expansion of the University and therefore the financial aspect was a secondary issue. Such a situation led to the cancelling of a previous Council decision. As a result, the negotiation of the building purchase had to start from scratch. This challenge was also evident at MCAST's Board of Governors, in this case not in the form of a state-institutional conflict but through a union-institutional confrontation. The situation became so tense that a resolution had to be put forward by the Board in order to ask the Malta Union of Teachers (MUT) to explain why the Union members 'consistently belittle and systematically criticise MCAST's management' (MCBG02). The lack of

union co-operation did not only hinder day-to-day management but also the strategic process, as MCAST's lecturing staff was directed by the Union to not attend the strategic consultation meetings.

Second, even if component units have similar objectives, they might have different needs and costs. The notion of integrating the disparate units of a complex institution and as well as diverse institutional sub-cultures and personalities around a strategic plan was advocated by Williams (2013). For various reasons, the crafting of a strategy and its effective implementation is not an easy task. First, five decades ago authors such as Searle (1972) argued that academic staff tend to be more loyal to their academic world or profession rather than to their institution. This notion has been challenged by many different scholars including Bowen and Tobin (2015), Shattock (2010) and Williams (2013) who argue that well-managed institutional governance could create an ambience for high standards of teaching, research and innovation. The pivotal point is the balance achieved between establishing the necessary governing structures and allowing room for academic innovation. Meanwhile, the creation of ideas was necessary, especially when seeking to develop a well-designed, clear delineation of roles for academic and managerial staff that reduces the risk of antagonism between the two cadres. It is necessary to create procedures without losing the art of common sense and forgetting about the ethos of academia when applying rules and procedures.

Third, deficiencies in managerial competence, especially in highly specialised jobs, lead to technical deficiency, particularly at faculty level. Bowen and Tobin (2015) argue that the professoriate or the academic staff do not have the expertise to manage resources efficiently, especially in the light of modern accounting practices that include local and EU funding as well as internal and external audits that requires specialised knowledge of accountancy, financial control and legislation.

Meetings of Council, Senate and Board of Governors reveal the specialised expertise required at the highest level. The contribution of the UM's Registrar and Rector as well as MCAST's Principal is crucial in leading the discussion in these high-level, technical meetings. In all UM Council meetings, the Rector is the *de facto* chairperson even though he is at law the Vice-President. There is on the other hand, more balance of power and contribution in the case of MCAST's Board of Governors between the Principal and the Chairperson. A clear delineation of roles is evident between the two MCAST leaders, the former responsible for MCAST's administration and the latter from a business and industry perspective.

Specialised expertise is required in many other facets. Thoughts about implementing a business intelligence system at both MCAST and UM was high on both institutions' agenda from the year 2017, especially in view of the eventual introduction of a KPIs framework. This was also the case with the setting up of a Geo Materials Research Unit within MCAST as well as the presentation of financial reporting, internal audit affairs, discussions concerning data protection and the revised MCAST Master Plan (MCBG01). The approval of a new UM structure entitled Malta University Portfolio (MUIP) by Council (UMCN02) and a Committee for Research Engagement (UMSN04) are other examples of the reliance of the academic staff on specialised management expertise. Such reliance, an evolutionary phenomenon disclosing the rise of the managerial estate in HEIs, creates tension between the central and local relations since faculties and institutes are left with almost no decision-making powers at an institutional level.

7.4.8 Institutional leadership: managing the tensions

The tensions that exist in HEIs extend well beyond the effective functioning of central-local relations and the structures that were mentioned in the previous section and in Chapter 5. The observation sessions revealed how in practice, higher education settings involve episodic compromises and chronic tensions between old and modern traditions, academic freedom and managerial processes as well as striking a balance between creativity, innovation and compliance with regulations. These compromises and tensions, that are contextualised within the massification and globalisation phenomena reviewed in Chapter 3, led to increasing scrutiny of leadership abilities (Black, 2015) given that leading a higher education institution became extremely ambiguous and broad (Shattock, 2010).

Reconciling the tensions between compliance with the regulations and allowing academic creativity as well as between administrative rigour and academic understanding is not an easy task. Leaders, who are ultimately responsible for steering the strategy, have to finesse the two considerations in a complementary manner. A divide between the academic and administrative spheres develops into an institutional deficit and a functioning handicap (Shattock, 2010). Quality assurance and the enforcement of regulations requires the trust of academics. The perception that quality assurance procedures and regulations simply add more red tape ultimately undermines regulatory compliance.

The regulatory framework is indeed a complex, multi-level arrangement. Programme review is one such example. The existing structures at UM (APQRU and PVC) have to be consistent with the Bologna Process and the ECTS principle. In addition to these international obligations, the development of new or the amendment of existing programmes have to comply with the University's general regulations that were developed from 2003 onwards. This is not all, since specific bye-laws have to be created for a new course. The resulting bureaucratic effect is the long time taken for programme approval, at times eighteen months. This situation is not conducive to the creation of new academic areas that require immediate response to the national economy, the labour market or contingencies such as a pandemic, or the development of new programmes in blockchain, artificial intelligence and aerospace technologies. Two undesirable outcomes appear: first, the inability of the University to respond adequately and rapidly to economic development and to social needs and second, the weakening of the institutional competitiveness that leads to a competitive advantage over other HEIs. The inability of UM to provide programmes quickly and proactively as a result of heavy administrative burden was mentioned during the strategic development forums (UMST02).

The understanding and appreciation of the regulatory framework from an academic perspective is under-researched but important. Academics tend to regard administrative and managerial work as a separate task that is not directly or indirectly related to them. A Senate meeting (UMSN02) revealed the ignorance of academics in regulations. A Ph.D. Board of Examiners was never appointed through the four proper University structures: the Faculty Doctoral Committee, Faculty Board, University's Academic Doctoral Committee and Senate. The Chair of the Board of Examiners who was present during the Senate meeting accused the administrative staff of lack of compliance with regulations and renounced any responsibility for such an administrative oversight. Ignorance and lack of appreciation of regulations and administrative processes are noticed in other tasks such as the drafting of study-unit descriptions and the convening of Boards of Examiners to discuss assessment results. Though cumbersome, this administrative work produces academic benefits that are often unrealised or discounted. The former leads to attracting students to the study-unit and course while the latter results in fairer results and a lower incidence of revision of paper requests which generate still more administrative work for academics.

These and other tensions mean that leading HEIs requires energy, stamina and the ability of striking a compromise in the face of complexities and tensions. These leadership characteristics were extensively discussed during the consultation meetings organised by the Office of the Prime Minister (OPM) in 2016 to choose UM's Rector (OPRM01-02). The leading question was: 'which leading abilities define an able Rector?' Which leadership style is used considering the personality, character and culture of the institution?

'Institutional personality', originating from an institution's history, mission and vision, emerges as a determining factor in crafting and implementing strategy. An institutional personality is shaped by two concepts: *raison d'être* and *esprit de corps*. The *raison d'être* of UM and MCAST is substantially different, as the former is academically oriented, and the latter vocationally oriented. Therefore, KPIs are to be crafted keeping in mind the reason for an institution's existence. The distinct institutional missions nonetheless permit collaboration between Malta's public HEIs (UMST04), especially in areas such as health care and early childhood that blend both vocational and academic perspectives. Through a formal agreement between UM and MCAST in 2015, MCAST students registered for Diploma courses in Health Sciences can now opt to either pursue their degree at MCAST or enrol for a bachelor's degree in Nursing at the University of Malta. A similar memorandum of understanding was signed between UM and MCAST in early childhood education (University of Malta, 2019).

The *raison d'être* has to be accompanied by *esprit de corps* if the strategic KPIs are to be attained. Several authors including Kezar (2004) sustain that strong leadership and effective leadership styles are of paramount importance to achieve the governing outcomes. The leadership style adopted is fundamental to gain the trust of numerous groups of higher education employees and all stakeholders.

The hierarchical leadership model advocated by Astin and Astin (2000) was more evident in a relatively smaller vocational college such as MCAST than UM. Top-down decision making was visible through the change in leadership in mid-2018, especially when directing the college towards expansion and the inauguration of new buildings in accordance with the masterplan, at a total cost of 197 million euros, which is approximately ten times the annual expenditure of the college. The MCAST direction to embark on a joint initiative with Malta Enterprise and eventually to become

the owner of the buildings funded by the EU was taken unilaterally through a relatively small board that consisted of not more than 10 members (MCBG01). Such a top-down approach is much more difficult in a UM setting where more than 40 members are present at a Council meeting.

The hierarchical model is not the only leadership style used by Malta's public HEIs. Both UM and MCAST adopt a collaborative style of leadership that involves a relationship between high-level and middle-level leaders of the kind investigated abroad by Schuster, Smith, Corak and Yamada (1994). It essentially involves dealings between the Rector, President, Principal and Registrar with the middle-level leaders who include the Deans, Directors, Committee Chairs as well as Faculty Officers. A collaborative style of leadership, which represents the exigencies and sub-cultures of the different faculties and institutes, is more evident at UM, a bigger, more traditional institution. It synergises the efforts of newly established central structures with the faculties' efforts. A typical example is the proposed central market research office in parallel with the appointment of marketing officers at faculty level (UMSN04). Such a strategic leadership approach engages the specialised, technical capacities that are only available at the centre, with local sensitivities.

A collaborative style leads to transformative leadership which strives to harmonise strategic institutional objectives with faculty targets (Black, 2015). The UM's support framework that was recently created to engage the work of the Doctoral School, the Office for Professional Academic Development (OPAD) and the Office for Human Resources Management and Development is an informal transformative and collaborative leadership arrangement that promotes a concerted effort towards the training and development of doctoral students and academics.

7.5 Conclusion: a holistic picture of the main challenges and barriers to strategic performance

The focus of this chapter was on strategy, with a particular emphasis on how the governance and management of higher education within the Maltese context enables or inhibits institutional performance. Its main limitation is that the governing enablers and inhibitors are so broad that they merit another in-depth study. Yet, paradoxically this limitation also yields a benefit: a comprehensive map of the strategic challenges that HEIs experience, a tool that can be useful when strategies are crafted and performance indicators set.

Such an umbrella approach provides an opportunity to analyse strategic processes in conjunction with governance and management challenges. The following challenges bring to light this interconnection: the skill to craft a strategy that takes into consideration the various governing structures, the difficulty to manage complex institutional frameworks and structures, the challenge to lead numerous diverse governing arrangements, the strenuous task of managing big data, the manner in which smallness influences the way in which governance and management is conducted, the art of leading tensions emanating from multi-faceted institutional arrangements as well as bridging the gap between the central and peripheral units.

There are however, two other important dimensions, to be studied in Chapters 8 and 9. The first revolves around the reality that any governing arrangement and managerial action is intended to achieve a specific indicator within a set of seven strategic performance spheres. The second is that any strategic target implies both national and institutional involvement; consequently, neither level can be analysed separately.

CHAPTER 8

THE POLICY IMPLICATIONS OF STRATEGIC GOVERNANCE

8.1 Towards a holistic approach in higher education governance and management

The general notion in higher education literature is that governance, management and the strategic priorities are interconnected spheres, but these are not studied adequately through a solid holistic approach. The aim of chapters 8 and 9 is to fill this lacuna and analyse the governing and managerial engines as two **complementary** and intertwined spheres. Reference is made to both institutional and national indicators, but it is essential to consider that the institutional goals take priority over national goals, with the latter integrated into the strategic thinking and planning of the HEI concerned.

Both chapters further contribute to the original focus of this thesis, that of developing an interlink between governance, management, strategy and performance indicators by blending the strategic priorities of both UM and MCAST within a national perspective. Chapter 8 focuses on policy matters while chapter 9 is concentrated on the intellectual nuances. Both chapters build on the foundation laid by chapter 7, which presented a comprehensive review of the strategic enablers and inhibitors within the Maltese context by considering the strategic processes of both UM and MCAST.

The document analysis conducted revealed that in all strategic documents, national and institutional, governance is not a core theme that is embraced with the policy and strategic priorities. At a national level, NCFHE and MEDE strategic documents published in 2014 did not mention governance at all, while the NCFHE strategy crafted in 2009 mentioned governance in isolation as priority number 10.

UM's strategic document mentions governance just 5 times while management is mentioned 55 times. Governance is attributed to 'good governance' (UM, 2019: 6), 'governance and support infrastructure' and 'procedures and governance' (UM, 2019: 73). Management was mentioned through traditional notions such as 'projects management' (UM, 2019: 49), 'management of spaces' (UM, 2019: 48), 'management systems', 'waste management' and 'efficient energy management' (UM, 2019: 49), 'parking management' (UM, 2019: 50) and 'work-life management programmes' (UM, 2019: 51).

MCAST's strategy mentions governance 4 times and management 8 times. Governance is mentioned in relation to 'governance structures' (MCAST, 2019: 7,11, 23) and 'good governance' (MCAST, 2019: 28) and the idea of management is referred to in 'management teams' (MCAST, 2019: 25, 26) or to specific management jargon such as 'data management' and 'talent management' (MCAST, 2019: 23).

Three main observations can be elicited from the institutional strategic documents: first, governance and management are not in any way interconnected; second, both facets are mentioned as separate pillars from the rest of the institutional initiatives as if governance and management are alien and distinct spheres and third, there is lack of detailed or sufficient information on how governance and management can help institutions to achieve the strategic objectives. Strategic indicators require detailed operational actions to be implemented.

8.2 The absence of a KPIs framework in Malta's higher education

Higher education in Malta lacks both a national and an institutional KPIs framework. The absence of a KPIs framework may be explained by the lack of funding formulas that are tied with performance. This is contrary to what exists in Europe and in the United States where funding depends on performance (Pollard, 2013).

Any national level indicators were created sporadically and are not linked to the national strategy. MEDE manages the indicators by asking HEIs to forward basic institutional data, but this practice has no interconnection with any strategy. The indicators collected by the Gozo Ministry are another example of an indicator tool that has a strategic disconnection given that it just focuses on the number of courses held and the number of students attending courses. This information is collected by the Ministry every quarter. There is no reference to the expected continuous improvement in the delivery of study-units and the quality in the culture of higher education (Ballard, 2013), indicators of which are central to the quality of teaching and learning. These examples demonstrate the practical difficulties and limitations of conceiving and applying KPIs in this sector.

The UM, through the Quality Assurance Committee (QAC) and by citing the Rector’s manifesto (Vella, 2016), had also attempted to introduce some form of KPIs but the whole exercise lacks cohesiveness and strategic focus. It quotes specific governing structures or initiatives such as:

- the establishment of a teaching and learning support unit (p.6);
- the introduction of a system of appeals (p.9);
- the development of a Research Support Services Directorate (p.14); and
- the set-up of the doctoral school (p.15).

What has been set as early as 2009, as determined by NCFHE, were national education strategic priorities, as outlined in Table 8.1. These strategic priorities, in the form of desiderata rather than specific indicators, were subsequently updated five years later, in 2014. Table 8.2 reveals the updated strategic priorities in accordance with the strategic report published by NCFHE and MEDE.

Table 8.1: The strategic priorities outlined by NCFHE in 2009

Number	Priority
1	Attract more students to continue their studies after compulsory education into post-secondary and university studies
2	Encourage students to undertake studies in areas relevant to Malta’s economic and social development
3	Attract foreign fee-paying students to study in Malta in various fields of study and research
4	Adapt systems for adults seeking lifelong learning opportunities
5	Secure fair and equitable access to further and higher education with particular focus on vulnerable groups
6	Assure quality provision across all institutions and their programmes
7	Develop Malta’s Qualifications Framework and qualification recognition services
8	Increase the University of Malta’s research capacity
9	Facilitate and promote student and teacher mobility
10	Ensure responsive systems through adequate governance and funding policies
11	Maintain active participation and co-operation within Europe and Internationally
12	Develop and implement a long-term Investment Plan

Extracted from: *Further and Higher Education Strategy 2020 (2009)*

Table 8.2: The strategic priorities outlined by NCFHE and MEDE in 2014

Number	Priority
1	Increase participation and attainment Ensure strong support, sufficient and sustainable funding Strengthen student-centred learning Strengthen career education services Further develop the validation of informal learning Ensure that programmes allow for an adequate balance of work, study and family life Promote the development of elearning Increase information on available programmes Sustain regular data collection on participation, attainment and the social dimension Improve participation of students with special needs Improve the permeability between the educational pathways
2	Reduce gender differences Research on gender differences in subject choices and higher education attainment Improve career education Incentivise females to take up careers in STEM-related subject matters Undertake projects and initiatives aimed at increasing participation of underrepresented groups
3	Encourage innovative content and programme design Provide information on transparency tools and measures aiding the programme content and design Monitor the implementation of transparency tools arising from the Bologna Process Fund innovative programmes and curriculum design
4	Increase employability and entrepreneurship Ensure relevance of education to the labour market Provide more opportunities for work placements Promote lifelong learning alongside with employment Undertake graduate employability research Undertake research on skills supply and demand

Extracted from: the *Higher Education Strategy for Malta (2014)*, published by National Commission for Higher Education and Ministry for Education and Employment

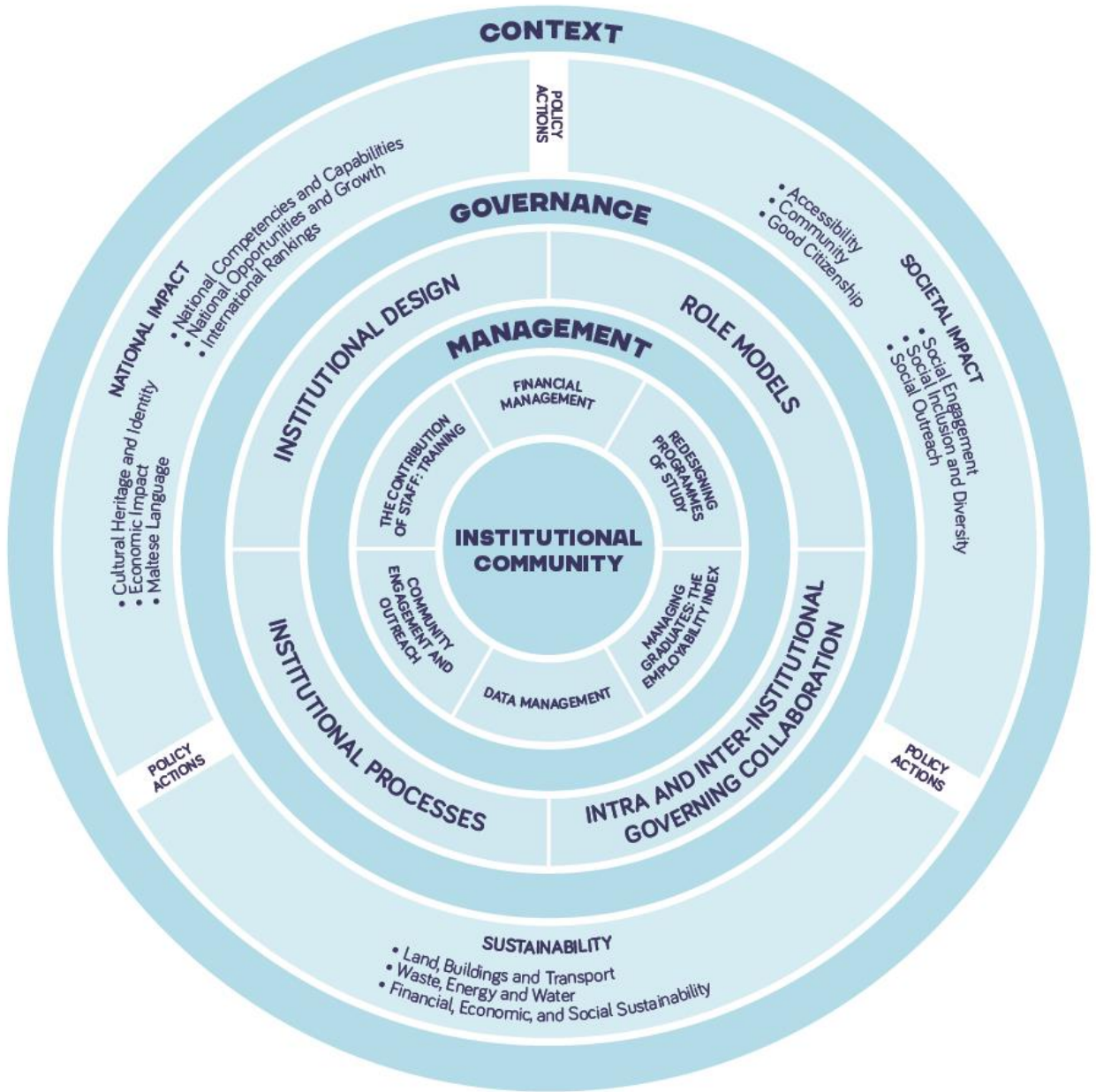
The first set of twelve strategic priorities published in 2009 was organised into four main objectives. Objective 1, which consists of priorities 1, 2, 3 and 4, focused on attracting more students to study at tertiary level, to promote lifelong learning and therefore end the idea that learning is a one-off experience confined to childhood and adolescence. Objective 2, which is based solely on priority 5, sought to open the possibility of tertiary level of education to all societal groups of citizens by ensuring fair and open access to all students. Objective 3 meant to make Malta a centre of excellence in education and research through priorities 6, 7, 8 and 9. Objective 4 encapsulates priorities 10,11 and 12 and was aimed at ensuring an inclusive, responsive and qualitative education system (NCFHE, 2009: 6-7).

The follow-up provided in 2014 reflected the multi-level governing approach that was analysed in Chapter 4 of this thesis. Indeed, the strategic priorities that were organised into four main clusters, target specifically the EU funding (NCFHE & MEDE, 2014) as specified through the Operational Programmes. There are common issues in both strategic documents, such as the need to increase student enrolment including those having special needs and the importance of strengthening quality assurance mechanisms. There are however, important developments such as elearning, the permeability of public HEIs to develop programmes that can be followed by students by registering with two or more institutions, the focus on the interconnection between education and employment and the importance of reducing gender differences in order to target better the national policy to increase female participation in the labour market that were not mentioned in 2009. Therefore, the significant major development is the integration of higher education with national policies.

8.3 From the institutional to the national and beyond: spheres of governance and management in higher education

The absence of a comprehensive approach stressing the complementarity between governance and management in all strategic documents led to the development of a holistic dynamic spheres model that study the context, strategy, governance and management in parallel with seven strategic spheres, as outlined in Figure 8.1.

Figure 8.1: The dynamic spheres model



Author: Colin Borg (2021)

The dynamic 'spheres' model explains how strategy, governance and management are conducted within a continuously changing context. Its multiple concentric spheres take account of the complex, dynamic character of contemporary higher education governance and management as it adapts to the challenges presented by the rapidly evolving higher education sector. The model supersedes the metaphor with which this study opens, namely, the 'governing and managerial engine'. It replaces a somewhat limited, mechanistic metaphor that focuses only on the internal workings of higher education institutions with a 'spheres' model that demonstrates the mutually life-giving interaction of the institution's various elements with the social, economic and political environment in which the institution is embedded. Among those elements, one of the most important is the still-evolving pattern of interaction between the external stakeholders and public HEIs. Therefore, the model offers an interpretive and a predictive value.

The institutional community, comprising staff and students, populates the central sphere: it is through this community that higher education institutions discharge their mission. The community nestles within the managerial and governance spheres, which mediate the community's relations with the external environment, which begins at the institution's notional boundaries. The spheres model is dynamic in that change can be initiated either within the institutional community itself (often as a response to the context) or be triggered by the rapidly changing external environment. The model draws attention to the interdependence and interaction of the overlying spheres. Thus, for example, institutional design is influenced at one and the same time by selected factors in the external environment, by certain managerial considerations and by one or more specific needs of groups within the institutional community. Members of the institutional community, whether units or individuals are in on-going interaction with units of the management sphere which play advisory, enabling or supporting roles, subject to the direction of the governing bodies that are ultimately the drivers of the institutional strategy. In turn, the management sphere interacts with the governance sphere. The governance sphere is the formal, institutional interface with the external environment, especially in so far as the state is concerned. The governance sphere also safeguards the interests of the state and of the wider society in regard to the institution's mission.

The overlying spheres of the model can be considered a synthesis of the limited metaphors and models conceived by scholars to theorise particular aspects of the governance and management of

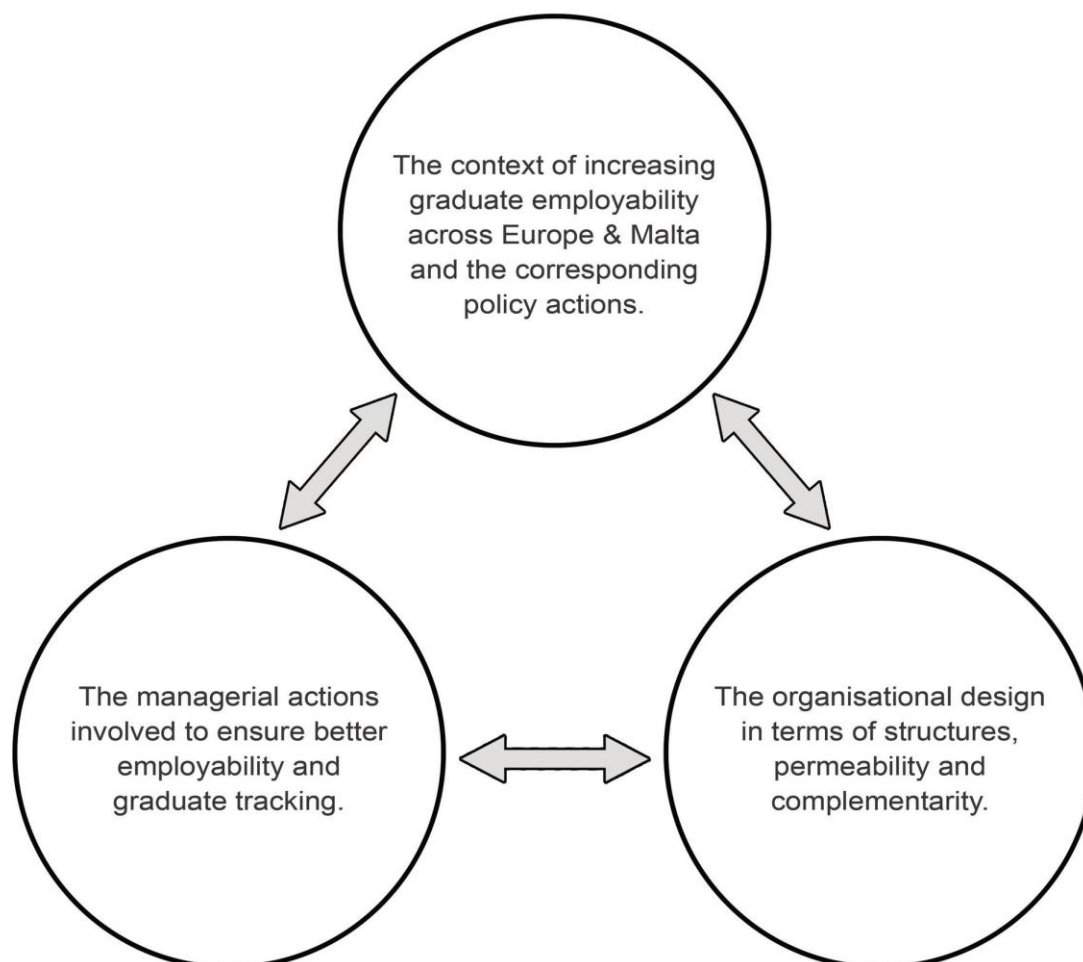
higher education institutions. In the sections that follow, the model's validity is tested against the data arising from this study of Maltese public higher education institutions.

The spheres model was developed through a hybrid approach involving: first, a qualitative analysis of all the observation sessions attended by the author at both MCAST and UM; second, a review of all the comments put forward by more than 2,000 participants involved in the stakeholders' forums and advisory committees. All comments put forward during these fora are coded.

The decision to study the governance and management of higher education within the perspective of seven strategic themes, does not mean that these strategic pillars work in isolation in real-life. Integration of the seven pillars is of essence in order to have a holistic KPIs framework and to be based on 'evidence-based decision making' (UM, 2019: 54).

The proposal to change the name of the Department of Gerontology at UM to Gerontology and Dementia Studies is one example of the dynamic spheres model in action in the real world. The change in the name emanated from national contextual political reasons, a tactical move that had strategic governance connotations at an institutional level given that it intended to attract the attention of policy-makers and politicians while making the Department more visible. Such a focus on dementia also has a societal focus and outreach when considering that dementia is becoming a social problem. Over 50% of the citizens beyond 90 years old suffer from this condition in Malta. The name transformation meant that the institutional community had to change their focus and tact and in parallel opened the possibility for more EU funding and internationalisation in non-EU countries that include China and Japan. The Department had to seek the assistance of management support units to market better its new name, embark on a community outreach and to adjust their day-to-day activities to this new reality. Change was also directed towards research given that the specific spotlight on dementia also helped the Department to embark on further research in dementia following the publication of the national strategy. Malta is 1 of just 21 states around the world that has a dementia strategy. Research is of the essence given that dementia will be the major global problems in the future (UMSN04).

Figure 8.2: The dynamic governing and managerial process: a graduate tracking case-study



Author: Colin Borg (2020)

As revealed in Figure 8.2, graduate tracking is another practical example to expose the dynamic spheres model.

The *context* of graduate employability has been studied throughout the globe. Studies conducted in the United States by Riggert et al (2006) shows that graduate employment has increased to the percentage mark of 80% in the last four decades. This situation is replicated in Europe given that countries are targeting the mark of 82% employment target by the year 2020. Malta registered the highest graduate employment rate in Europe in 2019 with a very high rate of 93.1%. This relatively

high percentage rate was followed by Germany (92.7%), the Netherlands (91.9%), Iceland (91.5%) and Luxembourg (89.4%). The percentage rate registered in Cyprus is relatively lower, 81.7% (Eurostat, 2019).

The strategic and policy process emanated from the setup of a commission expert group which was appointed in 2018 to investigate this matter at an EU level, therefore a multi-governing approach was adopted since the expert members started to report what is happening in their home countries in order to influence EU decision-making. The purpose of this expert group was to share data and governing experience amongst EU member states. Governing similarities and challenges were revealed in terms of an overarching oversight at a national level by a central agency. This is important in order to ensure conformity and permeability amongst institutional initiatives. Among the 28 member states represented only Malta, Ireland, the Netherlands, France, Czech Republic, Finland, Norway, Belgium and Italy have a centralised approach. Governing challenges and experiences in terms of survey conducting and collection of data was shared between EU member states (EUGT01).

The broad governing objective with respect to employability is to find the ideal recipe to link the institutional energies with the industry. At a policy level, graduate tracking varies across several states. Some states use a system level education policy while others focus on education quality monitoring (EUGT01). The latter was extensively emphasised during both UM's and MCAST's strategic processes. Academics need to be more aware of how the labour market is developing and how the industry is evolving (UMST02).

At a national policy level, Malta does not have a specific policy document on graduate tracking. This specific lacuna is filled through the Graduate Tracer Study that was published by NCFHE in 2016. Nevertheless, there is no legal obligation to conduct graduate tracking in Malta. A policy and strategic lacuna are also evident in the absence of a national and institutional internationalisation policy despite the dramatic increase in the number of foreigners, in terms of both staff and students, in Malta even in the higher education sector. There is also no specific strategy or policy that focuses on higher-education-industry collaboration. This situation reveals that despite the importance of employability and the economy in general, which notions were constantly highlighted in the strategic processes of both UM and MCAST, Malta's policy framework suffers from a half-baked approach.

In the face of an inexistent holistic policy framework, *ad hoc* initiatives exist through a multi-level approach: the Malta's national graduate tracer study (NCFHE, 2016) and the Eurograduate Pilot Survey. Other tools were created to direct students towards the right career and an eventual successful employment. These are the employability index of Malta graduates (JobsPlus, 2015) and the tracking survey of Ph.D. students that is steered by a consortium of European Universities from Malta, Germany, Spain, France, Poland and Croatia under the umbrella of the 'SEA-EU' (University of Malta, 2019).

From a *governing* perspective, these *ad hoc* individual initiatives reveal the lack of an integrative system and expose the weak or inexistent complementarity between national system-level measures and institutional initiatives. The lack of inter-collaboration could potentially give rise to a dichotomy with the risk that employment policy-making does not have the necessary holistic, cohesive data to design future policy actions. The ultimate aim of governing the intellectual nuances is the nurturing of transversal skills, entrepreneurship, financial literacy, research and innovation in the delivery of the programmes and ultimately the augmenting of the graduate soft skills (UMST02 & UMRS01). To achieve this objective, public institutions need to work in tandem with government agencies that include Jobs+, the national skills council and even embassies. The relationship between public HEIs and these governmental external agencies needs to be substantially strengthened through the development of an advisory committee that serves as a watchdog on the knowledge and skills being developed at tertiary level courses. The effectiveness of such a new governing structure, in addition to the multitude of other already existing structures is a challenging task given the high number of agencies involved.

Intra-collaboration is also lacking at UM given that two surveys are conducted by two different regulatory and management support units: APQRU and the Students Advisory Services (SAS) within the Office of the Registrar. The results are never publicly available and the data collected is not used for any practical policy initiatives at an institutional level. The silo mentality was particularly highlighted when it comes to intra-institutional collaboration in multi-disciplinary research that is essential to build bridges with the industry. Participants were concerned with a situation where protecting the Faculty's turf is more important than embracing openness and flexibility to work with other faculties in research and industry projects. Tensed central-local relations is also prevalent in marketing endeavours: should a specialised and a professional central

office take care of the marketing initiatives or should faculties effectively market their own programmes?

There is a link between organisational design, the institutional personality, character and complexity. While the size of UM is reflected in the number of structures that were either designed or reengineered, MCAST's relatively small number of students at higher education is demonstrated by a simpler organisational design. A complex organisational design is translated into an asymmetrical relationship with external agencies which eventually multiplies the complexity of managing the institutional efforts.

The *managerial actions* towards achieving better graduate employability involve laborious institutional arrangements. Institutions are moving away from a work-based learning situation which is translated into placements as part of the designed course towards work-integrated learning, an approach that blend work with studying into a continuous and a solid perspective rather than through just one study-unit per academic year. MCAST's managerial actions involve the organisation of an apprenticeship log-book that is based on three main criteria: competencies, employability and characteristically oriented traits. The structured log book is used in UM too in courses that involve Medicine and Surgery as well as Health Sciences. This managerial action can be considered as an action towards better graduate employability during the student course of studies.

8.3.1 Setting the contextual implications of policy actions

Malta's strategic exercises have revealed the importance of higher education in sustaining economic growth and societal advancement. In this chapter, policy matters are analysed through three main dimensions: national impact, societal influence and sustainability. The scope of policy-making in higher education is very wide and involves a list of several policy actions (Scott, 2017) that influence the economic advancement, the social dimension and the sustainability dynamics of the state. Specific policy actions vary from opening access to higher education to investing further in research and innovation, from stimulating economic growth to ensuring equality, and from investing more in new technologies whilst ensuring a sustainable future in all dimensions: financial, environmental, economic and social.

8.3.1.1 National Impact

The influence of higher education from a national perspective is evident in the literature published locally and abroad. This view is manifested in the contribution of higher education to the economy, in terms of the Gross Domestic Product (GDP) and the labour market that were analysed in Chapter 4. This dimension is so important that MCAST's preliminary strategic document dedicated its forward to the policy and economic context. MCAST's strategy document (2019: 7) refers to the national strategy especially with regard to the view that higher education intends to:

Improve the quality and effectiveness of our country and to develop a society which is competent, resourceful, critically conscious, and competitive in a global economy driven by information, knowledge and innovation.

MCAST's strategic document also declares that:

Education and training are pivotal for economic growth and social progress.....In an increasingly globalised and knowledge-based economy, it is necessary to ensure a well-skilled workforce in order to be competitive in terms of productivity, quality and innovation (2019: 7).

The UM's national impact is outlined in its annual reports by referring to the 'robust economic growth' and the 'University's crucial and vital role without which the national smart specialisation and innovation cannot materialise effectively' (2018: 3). The importance of higher education to the economic and social environment and the general well-being of citizens is not confined to Malta only. This view can also be observed in international publications pertaining to the OECD (2010) and the European Higher Education Area (2019). The greatest challenge in national reforms is to seek convergence of policy initiatives within the European Union (Sursock, 2015). Lack of coordination at a European level leads to sporadic results as countries fail to capitalise on the efficiencies derived from a concerted European effort.

Through the attended observation sessions, seven strategic themes related to national impact were identified: cultural heritage and identity, the Maltese language, the economic impact, the national challenges, the national competencies and capabilities, the national opportunities for growth and the international rankings are strands of a single dynamic process rather than segregated spheres of national action. The themes emanated from the UM’s strategic exercise process, which involved by far much more participants, but MCAST’s contextual realities were embraced within these themes.

Table 8.3: The national impact themes highlighted at UM’s strategic process

National Impact Strategic Themes	Number of occurrences	Percentage weighting
Cultural heritage and identity	38	9%
Economic Impact	47	11%
Maltese Language	40	10%
National Challenges	103	25%
National Competencies and Capabilities	107	26%
National Opportunities for Growth	60	15%
International Rankings	16	4%
Total Occurrences	n= 411	100%

Author: Colin Borg (2020) - The number of occurrences and the respective percentage weighting organised through a thematic analysis conducted by the author as gathered during the observation sessions.

As depicted in Table 8.3, national competencies and capabilities and national challenges were the most frequently mentioned, with 26% and 25% percentage grades and 107 103 occurrences respectively. The least mentioned were international rankings 4% (16) and cultural heritage and identity 9 % (38). National opportunities for growth, the Maltese language and economic impact were mentioned by participants 15% (60), 11% (47) and 10% (40) respectively.

National Impact was a concurrent theme during both UM and MCAST’s strategic exercises in view of their undisputable influence on Malta’s progress. The issues raised by participants extended from preserving and developing national culture, safeguarding cultural heritage, defending national identity, economic progress and international rankings. These issues were mentioned in a context of a country shifting towards a model of a cosmopolitan society.

The crucial role of public HEIs in Malta's economic and competitive standing was mentioned extensively during the UM's strategy meetings where the national challenges and opportunities for growth were highlighted 163 times or 40% of all the comments gathered from participants. Given that 13,180 students are registered with public HEIs, comprising a share of 82% from the total higher education market (NCFHE, 2015), Malta's public HEIs have a strong influence on a national scale, a reason why the central government and the external stakeholders have a direct interest in the institutional strategies. The arguments postulated were that growth can be achieved by reflecting better the industry's exigencies, by creating future economic niches and by strengthening its permeability with the other main public higher education institutions, namely MCAST and ITS.

A sense of preserving the national identity is gaining increasingly significant ground given that Malta's population has reached the half-a-million mark with an average increase of 10,000 foreigners every year since 2013. 84% of the annual population increase was due to immigration of foreign nationals (NSO, 2018). Despite this reality, cultural heritage and identity was only mentioned in 9% of comments or suggestions made by UM's strategy process participants.

National identity is also reflected in language. In a scenario where the influx of foreigners in a small island state and the influence of globalisation is so strong, the preservation of the Maltese Language is becoming central (UMST04). The safeguarding of the Maltese language does not entail giving up the strength of multi-lingualism but most importantly that the Maltese language is not regarded as second-class. English as an official language, provides a competitive edge for Malta's students and workforce but a balance is to be achieved to sustain proficiency in both languages.

The preservation of national identity was discussed in the context of the higher education impact on Malta's national economy, a theme that was mentioned 154 times or 37%. The target was the preparation of sufficient and suitable local human capital that is creatively empowered, culturally enriched and which also fits the exigencies of the industry and the evolving knowledge-based labour market. Therefore, the economic impact is created by 'producing the best students who are ultimately the future employees and leaders' (UMST04). The key role of human capital in economic growth was recorded in a number of studies, ranging from OECD reviews led by Barro (2001) to more recent appraisals such as the one published by Hanushek (2016).

From a national policy framework perspective, the Economic Vision for Malta 2014-2020 outlines the importance of the public University given that it is a signatory to the document. The fostering of human development (2014: 24) and more specifically the setting up of a post-doctoral research and innovation hub (2014: 5) are major pillars of this economic visionary document. The national target set in 2009 was that of achieving 35% of all school leavers into higher education (NCHE, 2009) until the year 2020. In 2017, 30-34 year olds who obtained a higher education level stood at 30% (NCFHE, 2018), 5% fewer than the 2020 target.

The challenges presented to public HEIs at a national level are broader than simply the economy (UMST02). HEIs are at a stage where they need to look beyond massification and globalisation. The role of both public HEIs lies in rejuvenating the national advancement and in being agents for change on a national scale. In the Education Minister's words: 'the best kind of knowledge is to be contaminated with realities and to make a real difference to communities. Organisations such as OECD are not only concentrating on skills and employability but on the widening of the institutional roles in terms of knowledge and character that transmits a difference in nations' (UMST05).

The activity created at an institutional level induces a ripple effect at a national scale in terms of research output and ultimately economic activity. Rankings influence students and staff in the decision to join a HEI, therefore these metrics are a source of 'clientele' and 'talent' to institutions. Rankings put the institution on the global map and provide a significant demeanour on government and foreign investment; national and international collaboration as well as the influx of international students. International rankings are essentially a tool to build the institutional reputation (OECD, 2007). In small states such as Malta, rankings have a multiplier effect on a national scale especially when considering that the two public HEIs under study account for the larger share of students.

Despite this ranking significance, international rankings were barely mentioned by participants in the UM's strategic exercises, with just 4% of the total comments. Even worse, given the low ranking of MCAST because of its lack of research infrastructure, the rankings were completely ignored. This aspect of multi-level governance cannot be overlooked in a national impact contextual analysis. In a globalised context, almost 24,000 HEIs (Webometrics, 2020) around the world are influenced by metrics. A more detailed discussion on rankings is presented in Chapter 9.

8.3.1.2 Societal Impact

The ‘economic role model’ emphasised in the national impact analysis does not take place in exclusion of the institutional ‘social responsibility’. In the same manner, the drive towards ‘internationalisation’ is not a substitute of the social function with respect to ‘immigration’. Rather than being seen as contradictory concepts, societal notions can be regarded as complementary elements in relation to the other pressing higher education realities emanating from the modern world.

The contextual social realities take the form of so many different facets and go beyond the exigencies of the institutional campuses. Malta’s context and the changes that were experienced following EU accession in 2004 is a case in point. The introduction of divorce in 2011, civil unions in 2014, gay marriages in 2017, the accelerated influx of foreign workers and their respective families as from 2016 onwards as well as the increasing trend among women to join the labour market are all examples of new social realities.

Table 8.4: The societal impact themes highlighted at UM’s strategic process

National Impact Strategic Themes	Number of occurrences	Percentage weighting
Accessibility	16	10.5%
Campus engagement	23	15%
Good Citizenship	25	16.5%
Social Engagement	28	18.5%
Social Inclusion & Diversity	32	21%
Outreach	28	18.5%
Total Occurrences	n= 152	100%

Author: Colin Borg (2020) - The number of occurrences and the respective percentage weighting organised through a thematic analysis conducted by the author as gathered during the observation sessions.

As shown in Table 8.4, unlike national impact, societal factors were less frequently raised. In fact, the number of occurrences is approximately one third of the frequencies registered under the national impact theme: n= 52 versus n= 411. This shows that national factors, political issues, economic variables, the labour market and the Maltese identity are more prominent on the Maltese agenda. Nevertheless, such a strategic exercise does not diminish the importance of societal impact. Social inclusion and diversity were the most frequently mentioned with 32 occurrences (21%). Issues related to social engagement and outreach were mentioned 28 times (18.5%) respectively, good citizenship 25 times (16.5%) and campus engagement matters on 23 occasions (15%). Surprisingly, the least mentioned was accessibility with 16 different occurrences (10.5%), despite this being a topic that needs particular attention in Malta’s contextual realities.

The popularisation and massification of HEIs attacked the perception that institutions are classist ivory towers. Chapter 3 has confirmed this view by showing the extent of the increase in the number of enrolled students. However, the massification of higher education is still a challenge for Malta’s public HEIs in view of the relatively low percentage of citizens that are achieving tertiary level education. There are three indicators of higher education accessibility: first, the extent of social mobility; second, accessibility in terms of the geographical area and third, accessibility of students with special needs.

Table 8.5: Accessibility through social mobility - UM

Parents Education	Academic Year 2016/17	Academic Year 2017/18	Academic Year 2018/19
<i>Primary</i>	1,482 (6%)	1,407 (6%)	1,482 (6%)
<i>Secondary</i>	9,464 (42%)	9,312 (41%)	9,521 (41%)
<i>Post-Secondary</i>	4,253 (19%)	4,252 (19%)	4,300 (18%)
<i>Tertiary</i>	4,561 (20%)	4,652 (21%)	5,043 (22%)
<i>Not Known</i>	2,950 (13%)	2,999 (13%)	2,990 (13%)
<i>Total</i>	22,710	22,622	23,336

Author: Colin Borg (2020) - Head count data provided from the Office of the Registrar, University of Malta. Head count data is an aggregate of the mother and father’s education. Percentage Data is indicated in brackets.

Although Maltese students are given a stipend and higher education at an undergraduate level is free, it is important that a study of the parents' education of those enrolling for a university course is conducted in order to decipher social mobility (UMER01). Table 8.5 shows that social mobility in Malta is strong even though only an average of 21% of parents have reached a tertiary level of education. The data provided by the Office of the Registrar for UM is collected at an enrolment stage as indicated by the students themselves when enrolling online. The remaining 79% of parents of university enrolled students have a lower level of education than their children: either primary, secondary. It is crucial to consider that the figures are high given the significant gap in the number of students that were registered in a generation, from around 800 students in 1987 to almost 12,000 students in 2019. It has to be seen whether the same rates will be registered in future. Most probably the social mobility indicators will decline substantially.

Table 8.6: Accessibility through geographical area - UM

District	Head Count
Gozo and Comino	988 (10%)
Northern	1,999 (17%)
Northern Harbour	3,468 (30%)
South Eastern	1,785 (15%)
Southern Harbour	1,400 (12%)
Western	1,882 (16%)
Total	11,552

Author: Colin Borg (2020) - Head count data provided by the Office of the Registrar, University of Malta. Percentage Data is indicated in brackets.

Accessibility to higher education is also computed through the analysis of students from the various regions around the island. Table 8.6 reveals the large discrepancy that exists between the Gozo and the Southern Region versus the Northern Harbour area. A region discrepancy of 20% to 18% is a significant gap and action is to be taken by UM to embark on more projects, similar to the Cottonera Resource Centre, in order to address such a gap.

Table 8.7: Accessibility through special needs - UM

Disability/Number of Students	2014/5	2015/6	2016/7	2017/8	2018/9
Specific Learning Difficulty	33	48	58	86	95
Visual Impairment	29	19	17	18	21
Hearing Impairment	17	15	15	22	24
Mobility Impairment	20	18	17	20	18
Other Medical Condition	104	117	123	136	164
Not Known	16	10	9	36	36
Total	219	227	239	318	358

Accessibility through special needs - MCAST

Disability/Number of Students	2014/5	2015/6	2016/7	2017/8	2018/9
Specific Learning Difficulty	60	69	109	144	141
Visual Impairment	2	2	2	3	3
Hearing Impairment	2	4	3	4	5
Mobility Impairment	1	0	0	0	1
Other Medical Condition	17	20	30	33	27
Not Known	13	14	19	26	26
Total	95	109	162	209	203

Author: Colin Borg (2020) - Head count data provided by the Office of the Registrar, University of Malta and the Office of the Registrar, MCAST.

Table 8.7 presents the third accessibility variable and shows that in a period of 5 years, from 2014 until 2019 the number of students who are registered at UM and have special needs increased by 40% from 219 to 358. MCAST's figures more than doubled during the same period. This evolving accessibility scenario puts pressure on HEIs to develop their governing arrangements and the administrative practices, as analysed in the coming sections.

The promotion of diversity, social engagement and good citizenship were by far the most mentioned by UM participants with 56% of all occurrences. The globalised environment and the vulnerability of Malta to the influx of foreign workers and immigrants makes it particularly important that HEIs promote the benefits of diversity. In Altbach's (2016) terms, higher education is crossing borders and creating new transnationalism dynamic initiatives. Transnationalism is accentuated by Spexard (2015) who argues that the merits of a knowledge-based economy is marked by the extent of diversity.

A knowledge-based economy is not the only factor that drives diversity. Illegal immigration in Malta is an issue on the political agenda and this reality is proved through figures published by Eurostat. Malta has the fourth largest share per capita of asylum seekers after Greece, Cyprus and Luxembourg (Eurostat, 2019). This scenario was fuelled by the murder of an Ivorian immigrant Lassana Cisse Souleymane by two soldiers (University of Malta, 2019). This contextual situation could potentially present an opportunity to HEIs to embrace diversity. Several governing initiatives can be embarked upon that include the creation of adequate facilities, the design of training programmes to encourage attitudinal change and the introduction of initiatives to include more international students from several countries. This could prove to be a difficult endeavour for both MCAST and UM given the limited space available on their respective campuses. Nevertheless, the availability of facilities for inter-faith activities is crucial if HEIs are to promote diversity.

8.3.1.3 Sustainability

There seems to be the tendency to link any nation and social issue to the subject of sustainability, a key term that has become a fundamental subject for policy-making and institutional governance. Sustainability is high on the agenda given the global concerns which range from global warming to the financial robustness of states and continents. Sustainability is not a new topic. It was highlighted by a report back in 1987 by the Brundtland Commission entitled 'World Commission on Environment and Development'.

Table 8.8: Sustainability themes highlighted at UM’s strategic process

National Impact Strategic Themes	Number of occurrences	Percentage weighting
Land, Buildings and Transport	71	51%
Waste, Water and Energy	43	31%
Financial, economic and social responsibility	24	18%
Total Instances	n= 138	100%

Author: Colin Borg (2020) - The number of occurrences and the respective percentage weighting organised through a thematic analysis conducted by the author as gathered during the observation sessions.

Table 8.8 shows that the number of instances that the sustainability issue was mentioned is less than the national impact and society spheres, only 138 times against 411 and 152 respectively. The results reflect the public sentiment that it is excessively focused on the economic and monetary issues, leaving little space to environmental concerns. The sustainability of land, buildings and transport were the most mentioned with a frequency of 71 (51%), waste, water and energy were specified 43 times (31%) and the financial, economic and social responsibility 24 times (18%).

Sustainability is a generational concept given that it focuses on meeting the needs of the present generation without compromising the ability of future generations to meet their requirements (United Nations, 1987). Malta is one of the smallest countries in the European Union with just 122 square miles of land and a population density of 1,562 people per square kilometre (NSO, 2017). This puts enormous pressure on the infrastructure and mobility connections of the island. In fact, the strategic processes held at both institutions reflected the concern that something has to be urgently done even at an institutional level. 51% of the issues mentioned in the strategic meetings cited the sustainability of land, buildings and transport, reflecting the importance of this issue to Malta.

Malta’s waste management plan (2014) specified that Malta endeavours to ‘reduce waste and to prevent waste occurring, with a view to achieving a zero-waste society by 2050’ (2014: 15). It highlights national policy to ‘manage waste sustainably’ (2014: 14). Malta’s target of recycling 50% of its waste by 2020 is far from reached given that only 8% of waste was recycled in 2016 (European Parliament, 2018).

The sustainability of HEIs is not confined to environmental concerns. Sustainability is considered as multi-dimensional (Giovannoni & Fabietti, 2014) given that it also embraces the financial, economic and social facets of policy-making, a sustainable sphere that was only mentioned at a rate of 18% from the total issues mentioned during the strategic process held at UM. MCAST's strategic meeting with external stakeholders (MCST03) determined sustainability as the main challenge of the country even at times of full employment. The more Malta's economy is growing at a fast pace, the higher is the risk that somewhere in the future a recession period is experienced. The strain in the resources available in a small state conditions the environment, the infrastructure and the workforce available to sustain a strong economic activity of between 6 to 7 % GDP increase per year.

From a policy perspective, the sustainability theme is addressed in two manners: first, how is sustainability related to higher education? Second, how can governance and a conundrum of sustainability issues be effectively interlinked in order to help higher education institutions manage their operations better? (Aras & Crowther, 2008). The biggest challenge surrounding sustainability is that life matters do not grow linear but rather exponentially. The conundrum of sustainability issues ranges from financial, economic, social, environmental, energy and even administrative matters. If HEIs are not prepared for this sustainability reality, they will face problems to sustain their existence.

8.3.2 The strategic governing response conceived in the dynamic spheres model

Pertinent questions at this stage are: how are HEIs related to the contextual developments happening in a country and around the globe? How is governance related to the policy issues that are on the agenda of governments? The aim of this section is to explore the governing institutional reforms through neo-institutional theory that provides a perspective of organisational behaviour influenced by other organisations, the key stakeholders, and the wider economic and social force (Greenwood et. al, 2012).

8.3.2.1 Governance in the form of institutional role models

The first governing dimension is purely a role-model attribution. Public HEIs that account for a large market share, as is the case with UM and MCAST, shoulder a responsibility in being an example to society and in leading an educational transformation after decades of neglect. This is particularly the case vis-à-vis environmental sustainability. UM's green area is very restricted despite it being situated on an extensive piece of land of approximately 250, 207 square metres. The Maltese cultural habit of using the private car is reflected in the massive area of land reserved for parking: 47% of the entire University campus. To aggravate the situation 33% of the ring road, which is essentially a green area, is being built.

New mega projects such as the sustainable living complex and the students house are taking more green land and increasing the percentage of building of the total campus area. This mirrors what is happening at a national level. MCAST's masterplan issued in 2018 extends over 100,000 square metres and the plan is to create over 18,000 square metres of landscaped areas and 44,000 square metres of pedestrian areas. Therefore, only 38% of the entire campus will be built area (MCBG01). This shows that the design of a modern building, contrary to the 1960's University's building, is reflective of the growing environmental conscience of Malta. The way forward for UM is to use its buildings in a sustainable manner by embarking on innovative building strategies in terms of energy use, by facilitating a community sense amongst academics (UMST02) and by using spaces to maximum efficiency (UMST04). The University's role model that could be adopted on a national scale, is the capability of being flexible and adaptable in the use of buildings, given the limited space and available land (UMST03). The principle of reuse can be also applied in the construction industry by reusing the waste generated from demolished buildings either for other purposes or through a commercial vehicle.

Transport, that is ultimately an important indicator related to the quality of life (UMST01), is another national challenge for a populated state. The number of car spaces that can be allocated in a specified area are regulated through the 2006 local plans. The intention of this national policy is to limit traffic congestion. Specific initiatives were introduced at an institutional level that included the introduction of an on-demand bus service from almost all localities via the campuses. Both UM and MCAST

negotiated with an external government agency, Transport Malta, a specific shuttle service that is convenient and cheaper. UM succeeded in introducing a park-and-ride facility from a central (Marsa) and a northern area (Pembroke). It was a failed initiative given that it involved an extra cost for students who are accustomed to free transport facilities sponsored by the central government.

In 2011, UM launched the Green Travel Plan that encouraged both students and staff to either walk or cycle. This is an achievable objective especially when considering the distance staff and students have to commute everyday falls within a 10 kilometres radius. The major inhibitor is the design of the roads and the excessive number of cars on the island, more than 330,000, that makes it extremely dangerous and not user-friendly to walk or cycle on Maltese roads.

The role model of HEIs is also extended to the sustainable use of waste, energy and water, a sustainable facet of policy-making that was mentioned by 31% of UM's participants. HEIs have the responsibility to promote academic research that motivates the drafting of policy and guidelines pertaining to waste management. The introduction of waste management initiatives, parallel to governmental measures, are much needed at both institutions, the ban on single-use plastic has still not been introduced, the installation of bins that encourage recycling are nowhere to be seen and there are still no policies in place on the reuse of paper, toners, the procurement of goods and services that encourage recycling. Other much needed initiatives are the elimination of paper-based examinations that can be transformed into online examinations and the design of a resources inventory in order to promote the re-use of tangible materials and equipment instead of buying new items. The lacuna in waste management and recycling at the highest educational levels reveals the poor state of consciousness concerning this problem in Malta's education system.

Energy efficiency and effective water **conservation** as well as water catchment are other crucial sources for sustainability. Malta's national target that was set by the European Union to increase energy savings by 22% by 2020 is unlikely to be reached despite Malta's significant exposure to sun energy. Structures that are intended to support the required refurbishment and transformation of existing buildings into energy efficient facilities are inexistent. Buildings account for approximately 40% of energy consumption within the European Union (OPM, 2017). The University of Malta has embarked on projects that reduced the consumption of electricity to 15% and saved the carbon by

nearly 1,000 tons of CO₂ emissions annually during the period 2014 until 2017. The idea of building a sustainable living complex emphasises the concept of moving towards zero-energy buildings.

8.3.2.2 *Inter-institutional and intra-institutional governing collaboration*

The second strategic governing response can be summed up into two facets: the inter and intra-institutional governing collaboration. Collaboration either between HEIs themselves or with external agencies is conducted through the multi-level agency model that was analysed in Chapter 4. A hybrid of inter and intra multi-level governance was observed in almost all situations, which shows how dynamic and complex governance and management has become.

The first example of a mixture of intra and inter-collaboration was noted through the nomination for the global recognition of the Maltese Globigerina Limestone led by the Department of Conservation and Built Heritage with the Department of Geosciences of the University of Malta. The Executive Committee of the International Union of Geological Sciences (IUGS), through its sub-commission Heritage Stones (HSS) approved the designation of Maltese Globigerina Limestone as a Global Heritage Stone Resource (GHSR), together with six other stones from as many other countries. The total number of approved limestones around the world is 15. This is a major achievement for a small island state on a global platform (University of Malta, 2019).

Another example intra and inter-collaborative arrangement can be found in the promotion of diversity and the attempt to tackle racism at UM's initiative entitled *Integra Foundation* that was initiated in January 2016. The outcome was that during Academic Year 2017/18, 4 refugees registered for a degree. The engagement on campus was in the form of lecturing on a voluntary basis. Meetings were held with Heads of Department so that refugees are given the right guidance in choosing their course of studies. The involvement of the Ministry for Education as an external stakeholder, was essential to secure the waiving of fees and to provide a stipend to refugees for the first time in Malta's higher education history. The involvement of students was promoted through the *Kunsill Studenti Universitarji*, the main Campus student body who created a buddy system to help in the integration of refugees in the most effective manner.

The challenge of having functioning inter and intra-collaborative governance that embraces effective management was evident when designing and offering new programmes of study that reflect the exigencies of the economy and the labour market. Collaborative governance is crucial if ‘MCAST wants to attract employers to work within the managerial framework of the institution’. ‘Talent management is also required to maximise the potential of staff’ (MCST02). This notion was fundamental in the opening of new Master’s courses in 2019 in specific economic niches: environmental engineering, high performance buildings, water resource management, product design, mechatronics and sport science. The same governing concept of institutional collaboration applies in the case of UM in order to cater for specific academic fields such as Artificial Intelligence, FinTech and Blockchain that are earmarked for future generations, (UMAB01). These institutional initiatives began in the 1990s and the start of the new millennium in order to support Malta’s government’s initiatives and the emergent industries.

Other forms of inter-institutional collaboration of HEIs with external agencies or lack of it were observed. Collaboration exists in the relationship between MCAST and Heritage Malta in offering to its students the possibility of work experience as part of their apprenticeship (Heritage Malta, 2018). The employment index which was developed through a collaboration between HEIs and JOBS + is aided by the internal governing structures of both public institutions: the students advisory services.

Malta’s National Cultural Policy (2011) experience shows the lack of relevance in both UM’s and MCAST’s strategies to the national policy and reveals the difficulty that HEIs can face in collaboration and to retain coherence in a complex and vast policy framework. Although UM and MCAST were major stakeholders and were mentioned 15 and 22 times in the National Cultural Policy, there was no reference whatsoever by the institutional strategies to national policy.

8.3.2.3 Institutional design

The governing responsiveness in the form of a role model was put into practice by redesigning the institutional arrangements, the third theme of this section. Chapter 5 focused on the adaptiveness of institutional structures to the external environment. It was stressed that a key factor in the governance of institutions is their ability to adjust their structures and the managerial engine in a manner that is

geared to respond to the exigencies of the external environment. Questions were repeatedly raised in both the strategic exercises as well as the Senate, Council and Board of Governors meetings on how the present institutional arrangements can really function.

The inter-institutional and intra-institutional arrangements in the form of convergence and cooperation happened because of the redesign of the arrangements themselves. The first example focuses on supporting students with disability at UM. This initiative involves an array of synergies between an extensive number of governing bodies in the form of faculties as well as regulatory units, academic units and management support units. The bodies and units involved are the Faculty Departments, the Students Advisory, the Office of the Registrar, the Access Disability Support Group (ADSU), the Wellbeing Unit, the Office for Professional Academic Development (OPAD) and the MATSEC unit. This long list of governing and management arrangements shows the extent of coordinative efforts that are required for a unifying (unified) action (UMER01).

At both UM and MCAST several other units were created to respond to the contextual realities. The introduction of regulatory and management support units related to strategy, quality assurance and the internal audit proved to be critical enablers of performance and helped to pave an orderly governing path to achieve the key performance indicators. The strategic offices were the catalysts to lead the strategic discussion and to take stock of all the main strategic initiatives mentioned while contacting a multitude of stakeholders both from inside and outside the institutions. The internal audit function was a necessary new arrangement to ensure that all the institutional policies, standards, guidelines, procedures and regulations are followed by all institutional employees in all spheres of their work. Despite the sensitive and specialised nature of this regulatory unit, this function is in practice done by an external agency, normally a business consultancy firm. The quality assurance departments not only seek quality and standards in the operational execution of strategic decision but take a lead function in the international rankings. UM's Quality Assurance Unit collects the data from several offices, including HR, Finance and the Office the Registrar and following that inter-coordination, it communicates the data externally to international institutions.

Institutional design involves also *ad hoc* bodies that are created to govern specific matters. This reality was observed more in UM than MCAST, given its larger size and more complex dynamics. In just one Senate meeting two temporary structures were created: a working group to discuss

marketing and courses and a committee for research engagement (UMSN05). Temporary structures help to reinforce the existing governance without adding permanently to the complexity of the governing and management arrangements.

8.3.2.4 Institutional processes

Inter and intra-institutional governance and institutional design were mentioned by participants in parallel with the fourth governing dimension: the revisiting of institutional processes. The danger of excessive focus on the administrative processes was raised in all strategic meetings held at UM and MCAST. Concerns were raised with respect to the excessive administrative burden that heads of departments, deans and directors have to bear while they try to cope with their duties as academic members of staff (MCBG02). The argument postulated was that the administrative load is effectively eating away from the academic energy (MCST03). Therefore, administration is at times acting as an inhibitor rather than an enabler to the main strategic objectives of HEIs. This is another example of the boomerang effect mentioned in Chapter 7.

Two institutional processes were specified: quality assurance and admissions. An efficient quality assurance procedure of programme approval allows HEIs to respond rapidly and adequately to the changing environment. Participants stressed the need to reengineer the internal quality assurance procedures with a view to finding a balance between ensuring academic standards and an efficient approval system of programmes of study (UMRS01).

Another fundamental inhibiting process that requires reconsideration is the complexity and the timing of the admissions processes. Malta is in dire need to increase the relatively low percentage of students at higher education level as this has subsequent negative influence on the labour market (MCST03). This is another major national challenge for Malta's higher education policy sector. Unlike other foreign countries, Maltese applicants apply just two months before the commencement of the academic year, given that MATSEC results are published in July. Students have also the possibility of sitting for supplementary examinations just four weeks before the beginning of the Academic Year. This tight framework is further complicated by the lack of institutional readiness to publish their prospectuses early in the year so that international students, who need to relocate to Malta, can apply and receive the letter of acceptance well in advance of the beginning of the

Academic Year. UM must streamline its admission requirements in a way that is more recruitment-driven rather than serving as a filter to potential good students who may excel in their studies at a later stage of their respective educational pathway. Too many conditions are specified in bye-laws that serve to inhibit students from achieving a tertiary level of education. This exercise would need to strike a balance between simplifying the admissions process and retaining the necessary standards at entry point (UMSN05).

8.3.3 The management perspective of the dynamic spheres model

The next phase of this model is a review of the manner in which governance is intertwined with management action to achieve the desired national policy objectives. This section provides a detailed analysis of these management issues but before delving into the details it is important to answer a fundamental question: How are governance and management intertwined in practice as portrayed through the dynamic spheres model?

Without a solid financial management, public HEIs could cease to exist or could badly affect the leverage of the institutional governing bodies to decide. This scenario could potentially leave a deteriorating influence on a knowledge-based economy of a small island state. The redesigning of programmes of study through the effective scrutiny of governing bodies and regulatory units requires the management of cultural heritage content that provides an impetus to the notion of cultural tourism, a major objective for Malta especially post-COVID 19 experience. Managing the employability index through inter and intra-collaborative governance is essential for Malta's labour market. Inculcating and disseminating knowledge through community outreach with the help of both governing bodies and management support units drives social mobility in a country where the percentage of citizens who achieve tertiary level of higher education is still on the low side. Ensuring proper institutional data management provides a solid base for decision-makers at the highest-level institutional governing bodies and in parallel for national as well as international policy-makers and strategists to embark on policies.

8.3.3.1 Financial management

The financial stability of HEIs, that was discussed in detail in Chapter 6, is the fundamental basis of the institutional operations. The financial solidity of both UM and MCAST determines the sustainability of Malta's public higher education. If both institutions fail in financial and economic terms, Malta's higher education will be in a dire situation when considering the strong market share that both public institutions have. Chapter 6 has exposed two basic financial indicators: the reliance on central government budget and the high ratio of recurrent expenditure to revenue. This section analyses the linkage of financial management with strategy, taking account of other financial KPIs and the resource allocation mechanisms to implement strategy.

8.3.3.2 The lack of performance-related funding and its influence on strategic governance

Financial management influences the core academic business of HEIs: teaching and learning (Shattock, 2006). Governments promote 'targeted', 'incentive based' and 'competitive' funding policies that shape how institutions plan and operationalise (Zgaga, 2012). Performance based funding is almost completely missing in Malta. Research conducted amongst HEIs hailing from the United States confirmed how performance funding impelled institutions to effect changes to improve student outcomes, in terms of holistic education, programme development as well as counselling and advisory services (Dougherty et al, 2014). Malta's higher education strategy and UM's and MCAST's strategies failed to mention performance funding as a starting point to move away from reliance on the benevolence of a static state funding policy that is not linked to institutional performance. The institutional strategies devote just one isolated section for financial strategy: MCAST (2019: 23) and UM (2019: 71). There is also no attempt to align the institutional strategic objectives with the financial indicators.

The UK Higher Education Statistics Agency (HESA) (2020) and the Office for Students (OfS) (2019) identifies key financial indications. Several of them may usefully be applied in the Maltese scenario, as demonstrated in Table 8.9.

Table 8.9: Key Financial Indicators applied to the Maltese scenario

Key Financial Indicators (base year 2020)	UM	MCAST
(i) surplus/deficit as a percentage of total income	0.076% (surplus)	2.2% (surplus)
(ii) staff costs as a percentage of total income	77%	85.5%
(iii) premises costs as a percentage of total costs	1.94%	0.86%
(iv) unrestricted reserves as a percentage of total income	4.0882%	0.21%
(v) borrowing as a percentage of total income	0%	0%
(vi) ratio of current assets to current liabilities	1.04	0.88
(vii) net cash inflow from operating activities as a percentage of total income	4.5210%	4.33%
(viii) net liquidity days	60.06	89

Author: Colin Borg (2021)

Table 8.9 shows that, as analysed in Chapter 6, the surplus is almost negligible at UM although the base year was 2020 (the COVID-19 year) when all institutions experienced serious financial difficulties. MCAST's situation improved slightly on previous years by turning a deficit into a surplus due to their robust project management that is rendering more revenue and a higher capital outlay received from the central government. Staff costs (in terms of salaries and work resources), even if the operating expenses are not included, are high, exceeding the 75% mark, which leaves the institutions with little or no money to allocate for capital investment.

Considering the extensive campuses that exist at both UM and MCAST, premises costs that were described by both institutions as mainly related to the upkeep of buildings as well as to the periodical refurbishing to buildings, are minimal, an indicator which shows little burden on the financial strength of both institutions. Unrestricted reserves are much stronger at UM than MCAST. These reserves, that can be spent by the institutions without any tangible restrictions, can be the lifeblood at periods of financial difficulties. Both UM and MCAST presented a nil percentage score for borrowing as a percentage of total income since neither institution has legal authority to borrow money unless they continue to pursue the path of owning land, which would eventually give them access to borrow money.

The ratio of current assets to liabilities although favourable, nonetheless signals caution, if both HEIs want to achieve a stronger financial platform. Both UM and MCAST registered a similar score with regard to the indicator related to net cash inflow from operating activities. With an average score of 4%, Malta's public HEIs show weakness in generating enough cash from their own ongoing business activities. This issue is analysed at a later stage in this section.

Net liquidity days at both institutions, an indicator which denotes the ability of HEIs to meet their short-term obligations by using their available cash at a specific period, was registered to be lower than the average rate achieved in the UK: in Academic Year 2014/15 the registered rate was 126 days while although in Academic Year 2017/18 the estimate was 67 days, which is comparable to Malta's situation. The less available cash is explained by the tendency of HEIs to invest more in their infrastructure (Universities UK, 2016).

8.3.3.3 The absence of sufficient capital funds: tight and static budgets

The reliance on government financial transfers means that institutions operate in a financial straitjacket which hinders flexibility and consequently, institutional and faculty budgets operate on a restricted, static financial platform. For example, when new collective agreements for the administrative staff were signed at both MCAST and UM in 2017 and 2018 respectively, an extra 4 million euros was requested by each institution (MCBG01 & UMCN01). The government's supplementary subvention was required to permit the agreements to come into effect. The intervention of the central government is not guaranteed and Malta's HEIs risk incurring significant budget deficits, especially at times of unforeseen change.

8.3.3.4 Increasing revenue streams and reducing dependence on state funding

Several initiatives can be undertaken by HEIs to increase their own revenue generation capabilities. Revenue can be generated through activities such as those explored by Shattock (2010) and Alstete (2014).

First, tuition and enrolment fees are sources of income that can be expanded by both UM and MCAST from the traditional courses and the *ad hoc* courses that cater for the evolving labour market

and industry. The number of *ad hoc* study-units that were offered for Academic Years 2018/19 and 2019/20 was just 5% of the total number of units available at UM. It is necessary to acknowledge that both institutions are seriously constrained by the inability to charge fees to EU students at undergraduate level as it is a cornerstone of government policy that courses at this level are free for Maltese citizens, and therefore necessarily free of charge for all EU citizens. Another consideration is what Herbst (2004) refer to as targeting the ‘wrong student population’. Both UM and MCAST need to ascertain that efforts are concentrated in student niches that can potentially generate significant income. Kuwait and other countries from the Far East have been a success story for UM to emulate in future.

The second potential revenue stream would accrue from profits due to UM from patents, grants and research-related activities that are earned through innovative research. This avenue could be explored through stronger collaboration with industry. UM’s performance during the years 2018 and 2019 was quite active and paves the way for future years. The number of applications for funds or grants were 105 national and 180 international. The total amount of research funds applied for exceeded 56 million euros, with almost 49 million in international research funds. This is half of UM’s annual budget. However, the amount of funds and grants awarded was just 3 million euros or 5% of the money applied for. Significant improvement in securing external research funding requires assistance from the management support units established for this purpose. MCAST’s research initiatives are almost negligible and therefore this is not a revenue stream that they can explore at this stage.

Third, the campus facilities can be leveraged to generate revenue streams. Both UM and MCAST have campuses and other real estate that could be exploited commercially as long as such commercialization does not interfere with the mission of the institutions. This third factor enforces the vertical integration approach (Shattock, 2010) rather than outsourcing. UM’s Valletta Campus offers an example which could be applied elsewhere. Its facilities are hired out for conferences; profits are retained for re-investing in the same campus facilities. In this way the University was able to restore the historic building dating back to the 16th Century, as well as numerous lecturing facilities.

Fourth, the institutions could more aggressively market memorabilia, for example during graduation ceremonies. Both UM and MCAST need to work on this as revenue earned from such marketing initiatives is negligible. Besides, such products consolidate the institutional brand, as well as the loyalty of alumni and corporate benefactors; that, in turn, has the potential to generate funds. The University already has a vehicle for such activity, the Malta University Holding Company (MUHC), though the yields have so far been modest; the reasons for this ought to be explored.

8.3.3.5 Managing finances better: doing more with the resources available

Malta's public HEIs are in a constant struggle to recover dues either from fees or through other commercial avenues and to project their expenditure in a manner that ensures value for money not only to safeguard accountability and transparency given that they spend public money but also because the financial situation is straitened.

External auditors at both UM and MCAST underlined several issues related to the recovery of funds that can be significantly improved if financial management functions in a better way (MCBG03, UMCN03-04):

- i. first, by following more regularly outstanding debtors to reduce the possibility of default. Debt management improves cash flow and avoids defaults;
- ii. second, by having a more effective management of individual funds such as work resources that are available for academics to sustain their research and teaching activities and that can be spent in a loose anti-procedural manner, especially when considering that these funds are to be spent in accordance to pre-determined institutional policies;
- iii. third, by establishing a coordinative framework to streamline the remuneration of casual staff, whose contribution to lecturing and supervision significantly supplements the comparatively small full-time academic staff in most departments. The fragmented manual process involves disparate management and regulatory units such as HR, APQRU and SIMS Office. And while casual staff complain about consistent delays in settling dues, there is evidence to suggest that the outlay on casual staff exceeds the value of lectures that are delivered;
- iv. fourth, by properly functioning internal audit units, which are recent innovations that need to establish themselves within the institutional framework.

8.3.3.6 Mitigating the challenges arising from smallness: the absence of research funds

Smallness presents a number of challenges that need to be mitigated and, where possible, turned into opportunities. Higher education in small states offers challenges in terms of scarce specialised human and financial resources as well as the constant difficulty to achieve economies of scale (Martin & Bray, 2011). This is an issue that was constantly mentioned in Senate and Council meetings in the perspective of a medium-sized public University and has prompted the creation of research platforms (UMSN05) that can mitigate the fragmentation arising from almost 50 academic units and 323 cost centres, all competing for very small fractions of operating budgets. Research funds are not allocated to academic units. This reflects the lack of funding for research; at national level merely 0.55% of GDP is allocated to research. For this reason, research platforms would maximize scarce resources and encourage multi-disciplinary research endeavours.

Baldacchino's (2011) proposal of embarking on regional and pan-national research projects can also mitigate substantially the limitations of smallness and turn them into opportunities. Networks in the form of NUSCT (Network of Universities of Small Countries and Territories) and NOHA (Network on Humanitarian Action) can help this cause, but in practical terms the European University of the Seas that UM is involved in, is the way to build partnerships and at the same time expand the resources platform. Through these international platforms, small states have access to expertise that is not easily or not at all available. One practical example is the development of an anti-fraud centre of excellence at UM that can only be possible through the involvement of these international networks.

8.3.3.7 Owning assets and land: increasing financial independence

A study amongst UK Universities and Colleges published by OECD (2004) specified that the ability of public HEIs to own assets and land provides them with greater financial independence, permitting them to enter into contracts, borrow funds and set new conditions for staff. Banks do not lend money to institutions which are unable to provide the necessary hypothecs. As a result, both institutions are seeking to own their land. In this manner, both UM and MCAST become more financially independent while having collateral to offer against loans. Owning land appeared as a theme during the observation sessions: it was considered crucial if Maltese HEIs are to embark on three-year

business planning cycles and move away from a state-dependent annual allocation based on quarterly tranches (UMAB01, UMRS01 & MCST03). UM already own its campuses, although very recently it has acquired further pieces of real estate that host spillover activities. In May 2019, the government, through the Lands Authority, transferred the Valletta and Gozo university campuses, the Junior College campus and the land hosting the Institute for Sustainable Energy in Marsaxlokk to the University of Malta. University Rector hailed this land transfer as a historic move (University of Malta, 2019). MCAST is also moving in this direction by negotiating with the government the acquisition of the new Paola Campus that is being built (MCBG02).

External auditors highlighted the need for both UM and MCAST to undertake a comprehensive review of their assets and equipment since both institutions are still to identify all the assets that they own. Furthermore, a risk assessment exercise and a disaster recovery plan are still to be designed by both institutions as a response to the auditor's recommendations (MCBG03 & UMST05). Having a reliable register of land and assets is also crucial in strategising on how the university campus is going to be logistically planned in the coming 5 to 10 years, in terms of where specific offices and units are to be allocated. Being aware of all the locations available is also fundamental for operationalising the newly procured UM scheduling software and maximising the University space for teaching and research activities. This specific example continues to reveal the key role of effective management of resources in designing and operationalising strategy, in this case the digitisation process that influences teaching and learning.

8.3.3.8 Lack of shared income and financial management at a faculty level: striking a balance in the devolution of resources

International practice shows that HEIs employ some form (at times limited) of a decentralised budgetary framework (Broad & Goodard, 2009). In Malta, the institutional budgetary allocation to faculties and departments within UM and MCAST exists only for the purpose of recurrent expenditure, focuses only on general expenses and excludes staff costs. Faculty and departmental allocations are negligible considering the total resources available within HEIs. Therefore, Malta's experience is that financial decision-making authority is concentrated in the institutional finance office. In addition to the low budgets in the hands of faculties, UM's faculty and departmental

budgets are allocated in a rigid process that is based on two tranches: 75% at the start of the financial year and 25% at the last quarter. Faculties have no incentives to restrict their expenditure or to be innovative in creating new revenue streams.

There are courses that generate significant revenues; in such cases, faculties retain a conservative percentage of 20% from the total earnings, while the remaining 80% of the funds are appropriated centrally. This raises debate about how to best manage the internal resource allocation. Striking a judicious balance that permits sharing of resources and devolved financial decision-making is both necessary but appears to be stoutly resisted by the central finance offices, besides running counter to administrative practices that are also old as the institutions themselves.

On one hand, retaining surpluses at the centre allows HEIs to re-invest in large projects and facilities that can improve their global standing and enhance student experience. HEIs require resources available at the centre to invest in the major objectives and initiatives outlined in their strategies. The University of Malta, for example, seeks to promote world-class research, to expand high quality online learning, to create a supportive ecosystem, to develop student-centred processes, to enhance library resources, the physical environment and the technological infrastructure (University of Malta, 2019: 6-7).

Shattock (2010) highlights the dangers of full devolution of budgets. The first stems from an excessive focus on the financial perspective rather than the academic aspect, leading to a ‘survival of the fittest’ syndrome. What will happen to those departments or faculties which are not anymore financially viable? In Malta, this would undeniably adversely influence certain strategic aims, especially the University’s role in preserving the national identity. Schwartzman (1992) underlined the importance for public HEIs of diversifying their income in order to preserve academic leadership and intellectual autonomy.

The second danger identified by Shattock (2010: 72) is the role played by specialised financial managers at the centre of an institution in linking five-year strategic plans with departmental objectives. Without the central intervention, a fragmented approach will be adopted with two serious risks: first, the lack of a unifying vision in resource allocation, consistent with the institutional

strategic objectives; and second, the absence of ‘checks and balances’ outside departments or faculties to ensure that resources are spent in ways consistent with the strategic plan.

On the other hand, if the departments and faculties rendering money to the institution that are referred to as ‘cash cows’ are sacrificed and an extreme model of financial centralisation dominates, they will eventually be less motivated to keep on earning the income. A more balanced ratio of shared income must be achieved between the centre and the faculties including the departments. Shattock’s (2010: 63) proposal is to have a 60% retainer to the centre while the remaining 40% is redistributed to faculties in the case of fees generated from students while in the case of research funds and short courses the ratio can be more balanced: a 50-50% approach.

8.3.3.9 Gaining academic trust and ensuring financial literacy at faculty level

The challenge to achieve partial decentralisation and inculcate a sense of professional financial management throughout the institutional framework at both UM and MCAST is three-fold: first, to ensure academic involvement in financial management, second, to promote commitment to the idea that financial decisions ought to strengthen institutional teaching and resources activities; and third, to aid faculties with adequate financial expertise.

At UM, there is lack of academic trust in the manner that finances are managed. The generation of profits is perceived by academics as a means to strengthen the University’s financial position, leaving faculties out of the equation. Academics have no say in how the resources are generated and spent. As a result, the academic community is alienated from revenue generation processes. During Senate meetings, academic staff complained about the lack of funds available at faculties, the delays in paying suppliers and the difficulty in establishing a collaborative communicative channel with the central finance office (UMSN 01-02).

However, the challenge to devolve financial management to faculties or institutes is compounded by the lack of expertise available in higher education financial management, a typical difficulty associated with universities where sub-units overlap, a characteristic described by Kaneko (2012) as a ‘nightmare’ in his study amongst Japan’s public universities. UM’s complexity involving hundreds

of cost centres and the lack of specialised human resources that is of greater concern in small states, point towards this difficulty. In an external audit conducted by a private consultancy to MCAST, it was revealed that the college had been without a Head of Finance for almost a year from 2018 until the end of 2019. In the interval, two calls of applications were issued without a successful outcome (MCBG03). The competitive labour market for accounting professionals means that faculties and institutes have no professionally qualified staff them in managing their budgets if UM and MCAST were to embark on even modest decentralisation.

In such an exercise, as outlined in the UM's strategic plan (2019: 71), it is essential that departments have timely budgets and clear financial targets, staff is appropriately trained, and reporting systems and contact points are created to link faculties and the centre.

8.3.3.10 Redesigning programmes of study

The contextual circumstances and the corresponding governing approach to preserve the Maltese identity is complemented by the better management of academic content that is delivered to students. As the only public comprehensive University in a small island state and with a history of more than 400 years, UM has a particular responsibility in safeguarding Malta's cultural heritage and identity (UMST04). One way of achieving this objective is through a specific management enabler, that of ensuring, where practicable, that programmes of study include cultural heritage content and appreciation from a broad perspective. The specific aim mentioned in the UM strategic meetings was the inculcation of a broader portfolio of academic domains in programmes of study. Appreciation of cultural heritage and identity helps to produce a holistic graduate (UMST02).

The actual implementation of this idea was very limited given that UM has only two programmes that cover the topic of cultural management at a Master's level. At MCAST only one course is offered at an Advanced Diploma level. Given the rich cultural heritage of Malta, this is a very weak indicator and therefore more efforts should be directed in the cultural heritage academic domain. Other ways of enabling a broader appreciation of culture is to include study-units within the long list of programmes of study (UMAB01) offered by both institutions. In this manner, any academic discipline would involve elements of culture.

The redesign of programmes was also mentioned when it comes to national competencies and the contribution towards national impact. In a global environment that is changing in an unprecedented manner, the UM needs to consider restructuring the manner in which programmes of study are designed and eventually offered. ‘An economy of a small island state that is heavily dependent on tourism and the services sector, diversification is imperative’ (UMAB01). This economic scenario entails that the primary responsibility of Malta’s public HEIs is to train future leaders in a multitude of academic disciplines. One direction could be the introduction of streams of study-units rather than rigid programmes, which could cater for highly-skilled jobs that require an element of multi-disciplinarity.

The major inhibitor in redesigning programmes of study is the multi-level governing framework in the form of the Bologna Declaration to which the University of Malta is a signatory. It is extremely difficult to compress more content in a three-year programme of study of 60 ECTS credits each year. The present programmes are already loaded with a lot of academic content and it is therefore very challenging to include additional content.

8.3.3.11 Managing graduates: the employability index

The redesigning of programmes leads to the third management tool, that is a product of intra and inter-collaborative governance: Malta’s employability index. The index attempts to facilitate the transition between higher education and employability. Underemployment and the labour market mismatch are economic variables that are intimately related with higher education. Indeed, the underemployment of higher education graduates is acknowledged as a problem which may undermine the value of academic degrees (UMST05). At UM, the rate of students finding work that is related to their academic domain was high among graduates in medicine, ICT, engineering, sciences and education, but is low among those with a degree in arts, theology and European studies. That being said, the scope of an academic education is broader than employment needs. On the contrary, the role of HEIs is to develop a ‘holistic graduate’ (UMST01). The notion of the holistic graduate refers to the candidate’s professional, technical, academic, intellectual, human and civic formation.

A study that was published as part of the employability index (MEDE, 2015) revealed that 74.1% of University graduates in 2012 immediately found work in the area they studied for. In the year 2014 the rate increased to 79.3%. This means that around 20% of UM graduates are finding work that is not related to their studies. Furthermore, 6% of the graduates had higher qualifications than those stipulated for the work they were doing. At MCAST, the situation was found to be worse, given that only 53.5% of their graduates with a certificate and a diploma were working in their vocational area. The reason for this discrepancy is related to the level of educational attainment, the higher the level the greater the tendency to find a job.

8.3.3.2 The contribution of staff in institutional governance: training

The contribution of members of staff in institutional governance, as evaluated in Chapter 6, presents the fourth management tool. Staff participation is essential to implement a decision of a governing body. In increasingly specialised and sophisticated governing arrangements, the training of staff is a key element to ensure the cascading down of decision-making. Staff was crucial in UM's case to implement changes in the University's regulations that assisted autistic students. Staff had to be trained and an institutional culture change was prompted that continued to evolve a traditionally exclusive University to a more inclusive institution (UMER01). In this respect, MCAST's context is totally different given that it is a relatively new institution. That being said, the present situation of its grounds being practically a building site provides enormous challenges to students with physical disabilities (MCST02).

The inculcation of the Maltese language amongst students and staff so that both UM and MCAST could serve as a model for the entire country is the second example. 10% of UM's participants felt that the perseveration of the Maltese language is part of the institutional efforts to contribute towards national impact. Apart from academic disciplines that are traditionally oriented within the local scene, especially in the humanities, that can be taught and assessed in Maltese, other initiatives could be developed so that students are encouraged to write their dissertation in Maltese. UM's senate meeting discussed the possibility for doctoral students to write an extended summary in the Maltese Language if the faculty concerned allows this initiative. In this particular case, the central authorities left such an important decision in the hands of the faculties (UMSN05). In addition to academic

vehicles, financial scholarships by both UM and MCAST in collaboration with external entities can further encourage students to write in the Maltese Language.

The inculcation of the Maltese Language is not limited to Maltese nationals. UM statistics show that in Academic Year 2017/18: 3% of the administrative staff, 8 % of the full-time resident academic staff, 6% of the part-time academic staff and 15% of students are foreigners. This demonstrates that the international staff and students constitute a cohort large enough to organise Maltese language courses that are specifically directed to their needs. The institutional statistics depicted here do not include the Erasmus and exchange students that are studying at UM on a more temporary basis, most often for a semester only. A basic beginner course in the Maltese language could be of interest to these students. For the first time, a course entitled *Maltese as a Foreign Language* was offered to staff, for which a total of 22 participants registered.

8.3.3.13 Community engagement and outreach

The fifth kind of management tool mentioned by participants revolves around the outreach activities of HEIs. The transfer of knowledge amongst society and of preparing society for tomorrow are tested within the boundaries of the institution's laboratories (UMSW01). There is nevertheless a debate concerning this institutional function. The debate revolves around the utilitarian and pragmatic approach of today's public HEIs, a result of the intense pressure exerted by the contextual environment, stakeholders and the diverse array of the state's institutions. The risk and fear of losing the 'intellectual virtues' as well as the 'intellectual inquiry' towards a 'revenue driven' and 'societal sensitive' stance is a reality (Neem, 2013).

Therefore' the conceptual transformation from 'ivory towers' into reaching out to the general public, the government and the external stakeholders, requires a careful approach. The loss of 'ivory towers' in reality means the loss of a university's ability to reflect deeply, 'prophetically' on matters that fall outside the immediate concerns of policy-makers and economic players. Paradoxically, the focus on collaboration with industry and governments risks silencing the universities. While there may be short-term gains for a country, in the long term, the only institutions that are comprehensively equipped to think creatively and prophetically will be neutered.

Community engagement in higher education involves the interplay of sustainable networks, partnerships, communication media, and activities between HEIs and communities at local, national, regional, and international levels (Jacob, Sutin, Weidman & Yeager, 2015). The interplay of governance in societal engagement and public outreach takes various forms. From a participatory standpoint, UM strategic participants emphasised that HEIs need to be more present in the community, to develop a critical voice and to find ways on how to demonstrate knowledge to the community even in controversial issues (UMST01 & UMST05). The transition from ‘ivory towers’ to more ‘societal active’ institutions dictate the need to speak to the Maltese villages and towns and show that Universities are not elitist institutions anymore. There is an internal and an external perspective to this strategic aim.

Accessibility of the diverse groups of students with so many different exigencies necessitate the active engagement of students and staff within the institution to reach out to the public in a more effective manner. Active internal institutional engagement requires the consolidation of the communication methods especially in medium-sized institutions such as UM. This reality is less of concern to MCAST given that the number of structures, as analysed in Chapter 5, are by far less than those at UM. The engagement of student societies at UM could potentially be an inhibitor given that the number of recognised societies totals 78 and there is no unifying and coordinating mechanism amongst these societies. The formal and informal involvement of student societies in the University governance, is essential if the University is to reflect the students’ aspirations in its decision-making processes.

Externally, from a teaching and learning point of view, programmes of study pertaining to public HEIs are to be designed in a manner that respond adequately to societal needs. From a knowledge transfer outlook, HEIs are expected to develop research projects that provide a solid contribution to society (UMST04). Governing structures can be more democratically represented through the involvement of the civil society representatives on Faculty Boards or perhaps high-level governing boards, a facet that is completely missing in UM’s and MCAST’s boards (UMST05). MCAST’s social responsibility programme launch in 2019 (MCSR01) highlighted the role of public HEIs in forming governing partnerships with the Civil Society by cultivating student engagement and motivation, promoting learning, accrediting or certifying experiential and work-based learning in

social engagement and strengthening the notion of active good citizenship. A major challenge for institutional governance, as sustained in Chapter 6, is to motivate students to participate more and engage in societal affairs (UMST03).

Community outreach should be complemented by the organisation of national forums on issues that are of major concern to the general public and which may not necessarily be on the government's agenda. This requires the strengthening of existing structures such as Malta University Debating Union (MUDU) at UM and by consolidating the institutional-student relationships in the organisation of debating activities. MUDU's activities did not inspire the student's attention until now since on average between 12 and 20 students participate in debates from a total university population of 12,000 students (UMST02).

From a purely marketing and communications perspective, the rebranding of UM that was introduced in 2018 and the emphasis of the University's name in Maltese as: *L-Universita` ta' Malta* clearly depicts the importance of preserving the Maltese Language. One of the ways in which the Maltese Language could be promoted further is to encourage staff, whenever possible, to write official University communication in Maltese. MCAST has also undertaken a rebranding exercise to promote their institute as a first-class vocationally oriented college rather than a college that takes on students who do not make it to UM.

8.3.3.14 Data management

The sixth management instrument concentrates on the benefits and limitations of international rankings. Research conducted by the Higher Education Policy Institute (HEPI) reveal the limitations that these metrics have in terms of the data scraping and different methodologies used to gather the data. Data is gathered from so many different sources that it raises questions of methodological soundness. Data is also dependent on the institutional submission that makes it subject to manipulation, even if this occurs to a minor extent. The fact that the compilation of data taken is supplied by the institutions themselves makes the ranking exercise susceptible to methodological inaccuracies. Another crucial setback is the excessive focus that is made on the research activity that downplays the several other institutional functions that are of interest to students, staff and the general public (O'Malley, 2016).

The institutional challenge to gathering data was also evident with respect to the level of education of the parents of university students. This data is supplied by the students themselves at the enrolment stage. The problem is that the gathered information depends exclusively on the data transmitted by the student. This is similar to the data gathered concerning special needs which is also indicated at the application stage by prospective students.

Data management lacunae exist in other facets of institutional governance including the calculation of the Academic Effort. Academics who are already involved in government and civil society boards need to be credited for their work (UMST03) and institutions are to publicise the academics' involvement in national affairs rather than keep their work hidden (UMAB01). Therefore, the recognition of academics in public convention or social media helps to motivate further initiatives on national matters. Recognition in the form of calculated effort is a potential enabler for more involvement but the greatest inhibitor to successfully implement this initiative is how such efforts are calculated. Until now, there is no recognition for this kind of academic activity in the community.

8.4 Conclusion

The essence of this chapter is that the national contextual development as well as policy actions cannot be separated from the institutional objectives, just as the governance and management of HEIs is not conducted in an ambience of dichotomy from the state's affairs. This chapter showed the extent of responsibility of public HEIs in the nation's policy-making in a matter that is broad and extensive. National priorities are in synchrony with the institutional governing and managerial initiatives, in what can be described as a constant interlink, even though parallel tensions exist between the 'national' and 'institutional' indicators, the 'core' and 'enabling' strategies as well as the 'governing' and 'managerial' enablers to achieve the strategic objectives.

The synchrony of the institutional governing and managerial dimension with national policy matters is an underestimated dimension in the literature. Reality, as revealed by the numerous examples cited in this chapter, shows that institutional governance is an essential feature if the national policy

initiatives are to be achieved. The ‘intra and inter-collaborative instruments’ and the ‘inculcation of culture in programmes’ is crucial to ‘strengthen the cultural identity’ of the island. In the same manner, the ‘effective coordination of governing structures’ and the ‘necessary reengineering of institutional design’ compounded with ‘training of staff’ is of paramount importance to ‘strengthen the social mobility and to achieve ‘higher enrolment rates at a tertiary level’. The ‘governing role model’ of HEIs also sets a national and perhaps an international way forward ‘towards using resources sustainably’.

CHAPTER 9

THE KNOWLEDGE CONNOTATIONS OF STRATEGIC GOVERNANCE

9.1 Examining the dynamic spheres model through the knowledge-oriented strategic themes

The aims of this chapter are two-fold: First, the policy issues that were examined in the previous chapter do not happen in isolation and cannot be examined merely from a policy perspective. Policy issues have an influence on four other knowledge-oriented strategic themes: research and knowledge transfer, teaching and learning, enterprise and internationalisation. This chapter highlights the fact, by referring to academic-oriented KPIs, that the University's core business is teaching and research (Shattock, 2010) and that the academic profession is at the core of the University (Altbach, Reisberg and Pacheco, 2016). After all, a comparative exercise conducted by Brink (2018: 62) of five leading university ranking systems shows that academia is an essential factor for University to improve their rankings. The fundamental role of teaching and research in the strategic process is highlighted in UM's strategic plan when stating that:

The University of Malta fosters an integrated combination of higher studies and research.....Two principal roles of the University are to nurture knowledgeable, highly skilled and responsible citizens of integrity, as well as to encourage the consistent output of pertinent research of high quality (UM, 2019: 12).

This chapter underscores the role of the supportive environment which facilitates teaching and research (Frost, Hattke & Reihlen, 2016). It builds on the management and resource oriented KPIs, analysed in Chapter 6 and Chapter 8, and shows how management can be a useful supportive tool for enhanced academic performance. This chapter also draws on the dynamic spheres model of context, strategy, governance and management presented in Chapter 8.

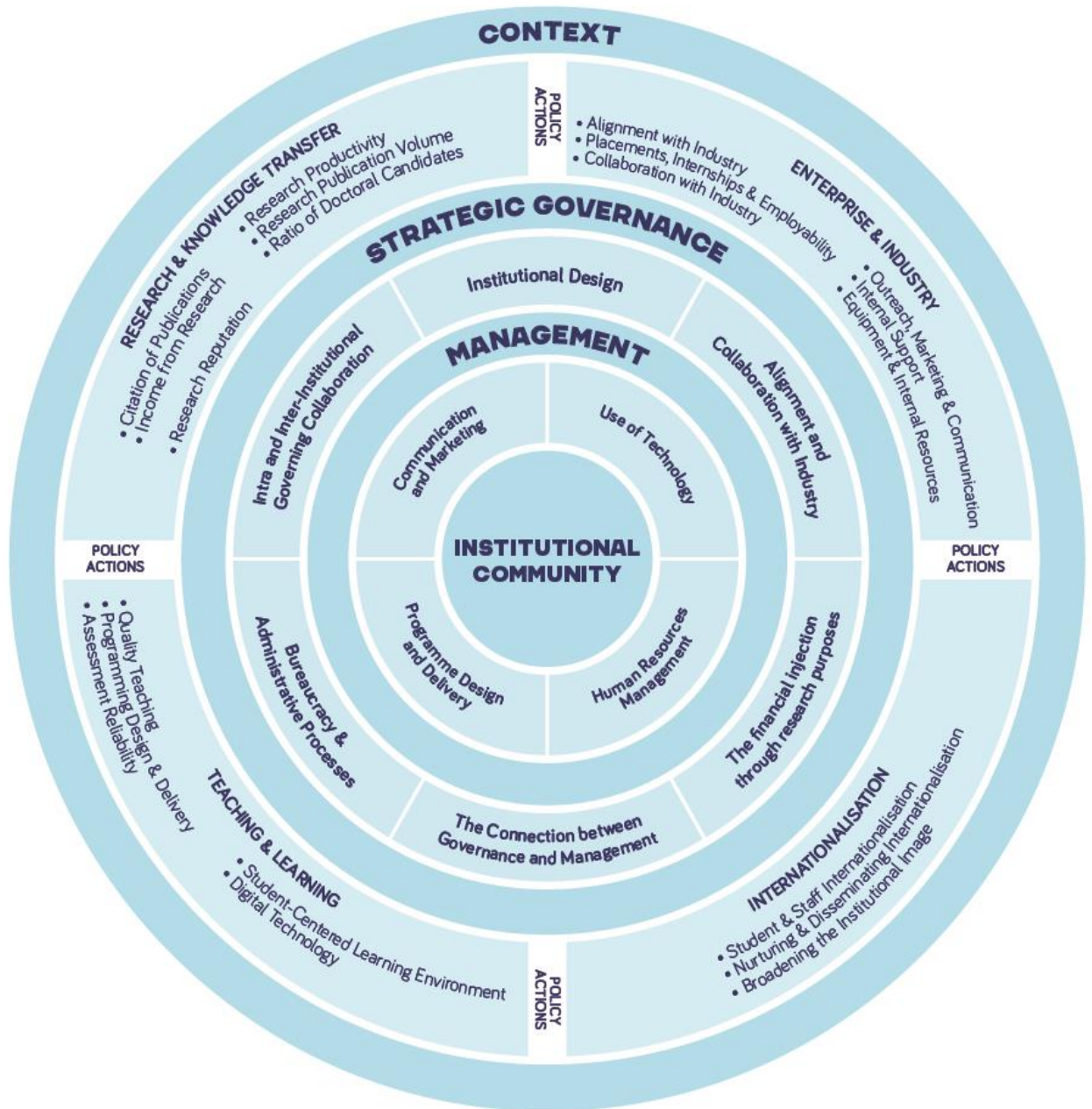
Second, although Chapters 8 and 9 provide a distinction between 'policy' and 'knowledge' themes, the seven strategic themes are dynamic and robustly interlinked. This scenario is consistent with the 'multiple strategies' context as described by Jarzabkowski (2005). Internationalisation, research, knowledge transfer, closeness to the enterprise and teaching and learning are distinct but

complementary to each other. Various practical examples can be drawn to demonstrate the dynamic seven strategic themes. The internationalisation of public institutions contributes towards the strengthening and enrichment of the academic research portfolio but is also a national and a societal driver in an era of globalisation.

UM academic staff emphasised the importance that teaching and learning is aligned with societal needs and the economy's exigencies. (UMST02). Nevertheless, while research carried out serves the economic perspective and the industry advancement, more importantly it serves the learning process. The multitude of interlinks between the strategic spheres is also evident in internationalisation and the new avenues of technology which bring new opportunities for teaching and learning but if not managed well could bring about serious problems to the labour market and to the social fabric of the country (UMRS01).

Figure 9.1 portrays the dynamic spheres model, introduced in Chapter 8, to the knowledge oriented strategic themes. It shows that this model can be adapted to a multitude of strategies.

Figure 9.1: The dynamic spheres model adapted to knowledge-oriented strategic themes



Author: Colin Borg (2020)

9.1.1 Setting the contextual strategic themes in the creation and transmission of knowledge

Figure 9.1 elicits the contextual strategic themes that were mentioned in the attended observation sessions and strategic exercises of both UM and MCAST. Two main methodological features can be observed: first, a thematic analysis and second, the determination of the frequency of the mentioned strategic themes. As it was the case in the previous chapter, the gathered contextual strategic themes provide a fundamental basis for the governance and management issues analysed in this chapter.

9.1.1.1 Research and knowledge transfer: creating and governing knowledge

Existing literature points towards two main considerations with regard to the mission of HEIs in generating and transmitting knowledge. Barnett (2000) describes university knowledge in terms of an epistemology of an uncertain world that is open, engaging and insecure. Other authors depict two overarching roles for public HEIs: as an instrument to produce new knowledge and to provide education and research that meets the exigencies of a knowledge-based economy and a sophisticated society (Snellman, 2015). Knowledge is a key resource for today's nations (Santos & Wane, 2013) a resource HEIs are the means to achieve. This notion builds on what Bhusry and Ranjan (2011) highlight as the main challenge for HEIs, that of creating a knowledge environment and subsequently to govern and manage the 'intellectual capital' produced. The other challenge, that is a common thread in this chapter, is the tension that exists for public institutions to fulfil their economic and social obligations and on the other hand ensure the creation of sufficient knowledge and innovation, which, in some instances, may not be in tune with the exigencies of the country or may not be perceived to be responsive to the country's needs. This is a very real risk as the competitive pressures unleashed by globalisation gain traction.

Table 9.1: The research and knowledge transfer strategic themes highlighted at UM's strategic process

Research and Knowledge Transfer Strategic Themes	Number of occurrences	Percentage weighting
Citation of Publications	12	6%
Income from Research	44	24%
Knowledge Transfer	17	9%
Research Reputation	18	10%
Research Productivity	47	25%
Research Publication Volume	19	10%
Ratio of Doctoral Candidates to Academic Staff	30	16%
Total Occurrences	n = 187	100%

Author: Colin Borg (2020) - The number of occurrences and the respective percentage weighting organised through a thematic analysis conducted by the author as gathered during the observation sessions.

Table 9.1 reveals that research productivity and income from research and consulting services were the most mentioned at the UM's strategic process, with 47 (25%) and 44 (24%) occurrences respectively. The ratio of doctoral candidates to academic staff was also given importance, being mentioned 30 times (16%). The least mentioned were citation of publications 6% (12 times), knowledge transfer 9% (17 times), research reputation (10%) (18 times) and research publication volume 10% (19 times). The mentioned knowledge transfer domains were mainly related to the commercialisation of the University in the form of productivity and income generated and to the ranking of HEIs, which ranking is crucial to generate more funds.

9.1.1.2 Public Higher Education Enterprise and Industry Impact

Industry plays a key role in public HEIs in a manner that the knowledge transfer and the educational experience gathered through research as well as teaching and learning is transferred to the industry. Higher education has become an industry in itself (Weisbrod, Ballou and Asch, 2008) but it also serves as an important contributor towards the industry growth from a macro perspective. No specific policy document exists in Malta that deals with the higher-education industry collaboration but the

official European Commission (2018) website mentions the industry a total of 15 times in a brief description of Malta’s public higher education. This shows the importance of the industry to Malta’s higher education even though specific policy and strategic actions are absent.

Table 9.2: The enterprise and industry strategic themes highlighted at UM’s strategic process

Enterprise and Industry Themes	Number of occurrences	Percentage weighting
Alignment with Industry	55	25%
Placements, Internships and Employability	43	19%
Collaboration with Industry	59	26%
Outreach, Marketing and Communication	39	17%
Internal Support, Procedures and Collaboration	19	8%
Equipment and Internal Resources	11	5%
Total Occurrences	n = 226	100%

Author: Colin Borg (2020) - The number of occurrences and the respective percentage weighting organised through a thematic analysis conducted by the author as gathered during the observation sessions.

Table 9.2 shows the kind of strategic actions bridging with the industry in the form of alignment and collaboration with industry were the most mentioned, with 55 (25%) and 59 (26%) occurrences respectively. Placement, Internships and Employment as well as Outreach, Marketing and Communication were mentioned 43 (19%) and 39 (17%) times respectively. The least mentioned were internal support, procedures and collaboration and equipment and internal resources with 19 (8%) and 11 (5%) times respectively. As was the case with the knowledge transfer strategic themes, participants emphasised the link of higher education with the economy in a manner that a ‘constant intimate’ relationship is built with the industry.

9.1.1.3 Teaching and Learning: creating a holistic teaching and learning environment

The dilemma that was constantly discussed at both UM's and MCAST's strategic processes was the extent of emphasis that should be placed on utilitarianism and on holistic education (Kim, 2010). The notion 'creating the total graduate' (UMST01), that was referred to in the previous chapter, is that of serving the economy and society at large. At times this does not entail a contribution towards further economic growth but a wider influence in terms of student values, attitudes and ethical behaviour. This wider perspective has been stressed by scholars who emphasise the utilitarian approach to higher education in cultivating human beings (Anderson, 2009) and critical thinking. Utilitarianism reinforces the idea that HEIs are not factories (Cekic, 2018) to produce graduates. Participants tied the concept of the 'holistic graduate' with the creation of a 'holistic learning and teaching environment' which essentially involves a 'comfortable and working learning environment', 'a curricula and learning outcomes that are appropriate to the exigencies of society and the economy', 'a sense of wellbeing' and a 'civic graduate'. It is worth considering that if the needs of society and the economy are defined narrowly, in strictly material terms, a utilitarian philosophy of higher education will be similarly narrow. Malta experienced this debate in the late 1970s and, although the debate has subsided, the problem of a narrowly utilitarian vision of education remains as current as ever.

Utilitarianism is strengthened through the universality of education as it is the case of Malta (UMST04). The governing and management variables mentioned in UM's strategic exercise, as revealed in Table 9.3, extend from quality teaching and teaching methods which was mentioned 84 times (22%) when considering all the comments, programme design and delivery 81 times (21%), the creation of a student-centred learning environment 76 times (20%), assessment reliability 59 times (15%), the availability of digital technology and distance learning 48 times (12%), attainment and completion rates 29 times (7%) and student-staff ratios 13 times (3%).

Table 9.3: The teaching and learning strategic themes highlighted at UM’s strategic process

Teaching and Learning Themes	Number of occurrences	Percentage weighting
Student Staff Ratios	13	3%
Quality Teaching and Teaching Methods	84	22%
Programme Design and Delivery	81	21%
Assessment reliability	59	15%
Student-Centred Learning Environment	76	20%
Attainment and Completion	29	7%
Digital Technology & Distance Learning	48	12%
Total Occurrences	n = 390	100%

Author: Colin Borg (2020) - The number of occurrences and the respective percentage weighting organised through a thematic analysis conducted by the author as gathered during the observation sessions.

9.1.1.4 Malta as a test-bed of growing cosmopolitanism: its impact on higher education

Any strategic action to strengthen the academic and knowledge platform of HEIs has to be oriented towards internationalisation, which is imparting and shaping higher education strategies (Oyewole, 2009). Today’s globalised world makes it a must that institutions are on the global map. Several authors argue that internationalisation does not only put HEIs on the global map, but it actually improves the quality of education (Hudzik, 2015) since the mixing of cultures becomes an integral part of the intellectual inculcation within and between HEIs. Therefore, internationalisation is ultimately intended to strengthen the learning process and to safeguard the integrity and reputation of public HEIs (UMST05). The question asked for the purpose of this chapter is how and what kind of internationalisation is going to be executed in practice? How international do public HEIs want to become (UMST05)?

Table 9.4: The internationalisation strategic themes highlighted at UM’s strategic process

Internationalisation Strategic Themes	Number of occurrences	Percentage weighting
Student Internationalisation	84	40%
Staff Internationalisation	56	26%
Nurturing and Disseminating Internationalisation	29	14%
Broadening the institutional image around the globe	43	20%
Total Occurrences	n = 212	100%

Author: Colin Borg (2020) - The number of occurrences and the respective percentage weighting organised through a thematic analysis conducted by the author as gathered during the observation sessions.

MCAST’s strategic process did not put the same emphasis on internationalisation as that of UM. However, MCAST’s leaders, specifically the Principal, did highlight the importance to embark on an internationalisation strategy (MCST02), which initiative is missing at UM. Both institutions lack a clear way forward. There is no thought strategy on which continents and countries to focus and the type of collaborative arrangements preferred. Data analysis is especially lacking at MCAST. UM has started to now begin to publish an internationalisation analysis document as from 2017.

The execution of the internationalisation process is aimed to produce two main results: an increase in the number of international students and staff that is accompanied with an increase in foreign-induced funding (Spencer-Oatey & Dauber, 2015). Table 9.4 shows that the former was mentioned 84 times (40%) and the latter 56 times (26%) at UM’s strategic process. The other two factors nurturing and disseminating internationalisation as well as broadening the institutional image were mentioned by participants 29 times (14%) and 43 times (20%) respectively.

9.1.2 Academic KPIs

The preceding section outlined the high-level strategic themes that define the strategic context when it comes to knowledge sharing. This section elicits the fundamental indicators that are attributed to academic strategic governance. These fundamental indicators were highlighted during the attended

observation sessions given that they are considered as important landmarks that HEIs should strive to achieve. Following the observation sessions, the author asked institutions to provide their respective data in order to assess the situation in a quantitative manner. This section builds on the comprehensive management and process-oriented indicators that were analysed in Chapter 6. The management-oriented indicators outlined in Chapter 6 are at times indicated as ‘soft indicators’ and serve as a basis to govern and manage an institution. It is crucial to consider that the formulation of a KPIs framework in a complex and ‘cabinet style’ institutional surrounding can potentially be counter intuitive given that a community of scholars and a multitude of stakeholders are involved in governing and managing HEIs. Nevertheless, the fundamental academic-oriented indicators specified in this section serve as a guidance for HEIs.

As a start, Table 9.5 compares Malta’s KPIs which influence rankings to European Union indicators. Indicators ranging from doctoral graduates, enrolment at higher education level, R & D expenditure and PCT patent applications show that Malta’s performance is below EU’s performance. Indicators related to international scientific co-publications, most cited publications, foreign doctorate students and employment in knowledge-intensive activities resulted as above EU performance. Malta’s peer review was conducted by independent experts around Europe (European Commission, 2019).

Table 9.5: Peer review of Malta’s performance when compared to the EU – 2018 Research and Innovation Scoreboard

Indicator	Malta’s Index relative to EU
Human Resources	
New doctorate graduates	27.4
Population with tertiary education	63.8
Attractive research systems	
International scientific co-publications	117.0
Most cited publications	101.4
Foreign doctorate students	208.0

Finance and support	
R&D expenditure in the public sector	13.8
Firm investments	
R&D expenditure in the business sector	27.0
Intellectual assets	
PCT patent applications	37.1
Trademark applications	246.6
Employment impacts	
Employment in knowledge-intensive activities	149.4

Table extracted from the report entitled: Peer Review – Maltese Research and Innovation System, published by the European Commission in 2019.

9.1.2.1 International Rankings

KPIs that measure admission, enrolment, local and international students, online students, doctoral students, exchange students, graduates, programmes of study and research influence international rankings. Rankings are increasingly nudging HEIs to perform better and to introduce performance measurements of their own; these international benchmarks could determine the ability of institutions to attract and retain international students. International rankings are used by HEIs to build and maintain their reputation among students, researchers and crucial stakeholders that seek factual information concerning scholarships, funding, accreditation and employee recruitment (quoted in Hughes, 2008). Shanghai Academic Ranking of World Universities and Times Higher Education University Rankings are two of the most influential and widely observed University rankings. Shanghai rankings focus on the quality of education (10%), quality of faculty (40%), research output (40%) and per capita performance (10%) (Academic Ranking of World Universities, 2015). The Times Higher Education Rankings consider a weighting of 30% for teaching, 30% for research, 32.5% for citations, 2.5% for industry income and 5% for international outlook (Times

Higher Education, World Rankings, 2016). The U-Multirank is a ranking methodology that was introduced in 2014 and is based on a multi-dimensional, user-driven and stakeholder ranking approach rather than producing what they call ‘an oversimplified global ranking league table’ that could be misleading to those students or stakeholders seeking information. In simple terms, users have the opportunity to compare universities, subject areas and specific institutional standings such as research (U-Multirank, 2017).

Table 9.6: Ranking Exercises at UM for the period 2015-2019

Ranking Exercises/Year	2015	2016	2017	2018	2019
U-Multirank	❖	❖	❖	❖	❖
ACU (Association of Commonwealth Universities)			❖	❖	❖
QS (Quacquarelli Symonds)				❖	❖
EUA (European Universities Association)			❖		
UI green Metric			❖	❖	
THE (Times Higher Education)					❖

Author: Colin Borg (2020)

Table 9.6 shows the ranking exercises that UM participated in during the period 2015 until 2019. The highlighted years are the ones in which the UM was active in the respective ranking exercises. In 2019, Webometrics classified the University at the 951st place while MCAST was classified at 8,150th place. This means that rankings published by reputable global institutions have placed the University of Malta among the best 4% of the world’s universities (UMST05). The UM’s Institute of Digital Games has placed among the world’s top 25 in the Princeton Review (University of Malta, 2018). To retain and improve these rankings, the ratio of doctoral students per staff and the research portfolio of the University must maintain steady growth. At the moment, the University’s ratio is 1 to 0.55 and the target is to reach 1.1 which essentially means an increase of almost 100%. Becoming the main University and a unique research hub in the Mediterranean is another major opportunity for the UM. MCAST’s position is low given its lack of research impetus and the subsequent limited presence in the academic world. This is being partially mitigated through the publication of an annual research journal and the offering of several new Master’s courses. Nevertheless, there are no Ph.D. students registered at this college, a major factor in rankings.

9.1.2.2 Student to Staff Ratio

The first fundamental strategic indicator that was highlighted by the international consultants, who were brought by UM as part of the strategic exercise, was student-staff ratios (UMST01). The consultants commented on the fact that student to academic staff ratio is adequate but when it comes to administrative support the ratio is relatively weak since it is half that found in reputable European HEIs (UMRS01). UM's students to staff ratio in FTE value is 9:1. When compared to student staff ratios of HEIs hailing from small states, the UM's situation is much better given that at the University of Luxembourg the ratio is 19:1, Cyprus University of Technology 17.4:1, University of Cyprus 22.2: 1 and Reykjavik University 23.4:1 (Times Higher Education, 2020).

Having a balanced student to staff ratio is a safeguard, although not a guarantee towards giving the necessary attention to all students and providing quality education. It is also an indicator of the efficient use of staff and towards minimising wasting resources. Participants highlighted the stance that student to staff ratio is not a magic wand that leads to quality teaching and teaching methods and other important variables are at play. 'When I was a student of UM myself, I often found myself disengaged and uninspired by the lecturer' (UMST03). 'Lectures are lacking fun and these are not just my words but by everyone'(UMST05).

The student to staff ratio is influenced by the retention of both students and staff and graduation rates of students. Staff retention and motivation aspects were discussed in detail in Chapter 6. The student numbers are influenced by the quality of teaching, in what is termed as the retention rate of students. However, it is difficult to gauge the quality of teaching although this is ultimately assessed by external examiners appointed by the institutions. The development of critical reflection, argumentative skills and a proper analysis was continuously mentioned with respect to the transmission of knowledge (UMST04). The pedagogical manner in which lectures are developed is of concern. It encompasses lecture interactivity, a hands-on approach on learning and lecture duration (UMSN03).

The quality of teaching has to be embraced by other crucial factors that keep students happy at an institution: the level of service provided, the facilities that students have access to, the link that the

institution is bridging with the labour market, the ambience of the campus and the extent of participation in both the institutional activities and in the governing bodies.

UM's graduation rates of students are considerably high reaching more than 90% when analysing the period 2012 until 2019 as shown in Table 9.7. The same high levels are achieved with regard to the retention of students from Year 1 of the course onwards.

Table 9.7 Retention and graduation rates of students at UM

Academic Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total percentage of graduated students	90.0%	89.7%	90.2%	89.8%	90.3%	90.1%	93.0%
Total percentage of retained students	96.9%	93.2%	92.1%	90.4%	91.6%	92.4%	95.6%

Author: Colin Borg (2020) – Percentage data collected by the author from the Office of the Registrar, University of Malta

The graduation rates as reported by OECD in several European countries range from 53% to 83%. However, these numbers are to be interpreted with caution given that different methods are used to calculate completion rates and the national context must be considered. The retention and completion rates can be compared to the degree of importance of study success. A study of the European Commission shows that study success is on the agenda of 75% of surveyed European states. In half of the European countries, that include Denmark, England, Estonia, Finland, Belgium, France, Greece, Hungary, Italy, Malta, Macedonia, Netherlands, Norway, Serbia, Slovenia and Sweden, study success is very high or high on the agenda of the respective European states (European Commission, 2015: 7).

Student feedback is one of the tools that can improve the teaching and learning experience if the exercise is conducted appropriately. At UM, a number of instances show how student feedback was the means towards improving teaching and learning. A report is prepared at the end of each academic year that incorporates the actions taken that are communicated to all staff and students. The latest available reports are for Academic Years 2015/16 and 2016/17. When evaluating the actions taken in both Academic Years, the assessment methods were revised in 17 instances, a change in lecturer in 8 instances, a restructuring in the study-unit programme in 15 instances, a change in lecturing

methodology in 6 instances, a revision in lecturing materials in 11 instances, a change in the study-unit description and lecture logistics in 12 instances and better communication with students in 2 instances (University of Malta, 2020).

9.1.2.3 Ratio of doctoral students to academic staff

In addition to the quality of teaching which influences the student to staff ratio, another fundamental indicator that measures the success of HEIs in research is the ratio of doctoral students to staff, which indicator was mentioned by 16% of all UM participants. This indicator, which is intimately related to the institutional research strength, has revealed the different character of UM than MCAST. The intellectual and research portfolio of UM is of a completely different nature and level than MCAST.

Table 9.8 Number of doctoral students and graduates at UM

Academic Year	2014/15	2015/16	2016/17	2017/18	2018/19
Total number of doctoral students	286	317	351	362	384
Total number of doctoral graduates	30	37	54	53	31

Author: Colin Borg (2020) - Headcount Data collected by the author from the Office of the Registrar, University of Malta

As table 9.8 shows, UM has currently 384 students at doctoral level with a graduation rate that has increased from 30 in Academic Year 2014/15 to 53 in Academic Year 2017/18 and decreased again to 31 in Academic Year 2018/19. In percentage terms, the number of doctoral students has increased by 34%. One of the reasons was the introduction of the professional doctorate courses in 2015. It was a controversial decision given that the doctor of philosophy degree was now being complemented by a substantially different professional doctorate model based on three pillars: the taught component, the professional practice and the dissertation. Most UM academics are still sceptical about such a model especially because the academic and research level achieved is considered to be less intense than that of a doctor of philosophy degree. As a consequence, a professional doctorate graduate cannot apply to join the academic staff. The admission process of the professional doctorate degree is also intensely debated, and it was discussed twice at Senate (UMSN04 & UMSN05).

Despite the increasing trend in doctoral researchers, the doctoral student-to-academic ratio is still relatively low, just 0.55 according to figures from 2019. The best Universities have a 1:1 ratio (Times Higher Education, 2017). This entails that the University needs to increase its doctoral students by around 35 to 40% in order to achieve this mark. The increase is to be focused on full-time doctoral researchers given that only 35% are registered as such. Furthermore, only 7% of the doctoral students are engaged in research-oriented work. This is a very worrying indicator given that doctoral students are to be a means towards increasing the number of institutional publications and research reputation on an international platform. MCAST experience is fundamentally different. They are still planning to introduce doctorate degrees and therefore they have no students registered at this level.

Data published by the European Commission (2020) shows the low level of doctoral students in Malta per 1000 thousand of the population aged 25 to 34, just 0.3, against the EU average is 1.4 for males and 1.3 for females. In the UK, the ratio is 2.2 for males and 1.9 for females. When compared to small states, the ratio is still lower than Cyprus, which is 0.6 for both genders and Luxembourg with a ratio of 1.5 and 0.9 for males and females respectively.

Employability of doctoral students is another indicator that is monitored by national governments and institutions. UM has not yet embarked on an in-house data analysis to track the careers of doctorate holders, even though this is a fundamental KPI. There was an attempt to do [this](#) in autumn 2019 for doctoral graduates spanning the period 2008-2018, as part of the SEA-EU DOC Erasmus+ application, resulted in limited success. Only 46 alumni from the UM replied to the survey and therefore it did not have the necessary statistical basis to publish its results. Nationally research goes back to an NSO survey published in 2009. At that time, 92.1% were employed, 0.9% unemployed and 7% inactive. This result is comparable to where it was revealed by the European Science Foundation (ESF) that 95% of doctorate holders were in employment. This study included several European universities, including the University of Luxembourg (ESF, 2017).

Table 9.9 Master’s courses offered at UM

Academic Year	2014/15	2015/16	2016/17	2017/18	2018/19
Master’s courses (taught)	121	139	158	167	185
Master’s courses (taught and research)	9	11	8	10	10

Master's courses (research)	125	127	126	132	136
Total	255	277	292	309	331

Master's courses offered at MCAST

Academic Year	2014/15	2015/16	2016/17	2017/18	2018/19
Master's courses (taught)	0	0	13	21	27
Master's courses (taught and research)	0	0	0	26	21
Master's courses (research)	0	0	0	0	0
Total	0	0	13	47	48

Author: Colin Borg (2020) - Headcount Data collected by the author from the Office of the Registrar, University of Malta and from the Registrar's Office, MCAST.

Table 9.10 Master's students at UM

Academic Year	2014/15	2015/16	2016/17	2017/18	2018/19
Master's courses (taught)	1828	1897	2019	2131	2186
Master's courses (taught and research)	62	88	95	120	111
Master's courses (research)	499	485	522	562	594
Total	2389	2470	2636	2813	2891

Master's students at MCAST

Academic Year	2014/15	2015/16	2016/17	2017/18	2018/19
Master's courses (taught)	0	0	13	21	277
Master's courses (taught and research)	0	0	0	26	110
Master's courses (research)	0	0	0	0	0
Total	0	0	13	47	387

Author: Colin Borg (2020) - Headcount Data collected by the author from the Office of the Registrar, University of Malta and from the Registrar's Office, MCAST.

What is worth noticing is the rigour with which indicators have to be analysed. While the number of UM Master's by research courses when compared to taught courses is on a level platform: 136 vs 185, the number of students attending taught Master's taught courses is four times as much as the students registered for Master's by research programmes (Table 9.10). The research identity of any institution is strengthened through the spin-offs emanating from Master's by research dissertation

that could be potentially developed towards the doctoral route and eventually research publications. MCAST's experience at a Master's level is very new and more years need to pass to analyse appropriately their performance, although it is evident that they have performed excellently in increasing the number of Master's students by almost 30 times in just two years: from 2016/17 until 2018/19. MCAST need to focus more in investing in Master's by research courses especially in vocational subjects that are vital for Malta's economy. MCAST launched the first Master's degrees in Academic Year 2016/17. Table 9.9 reveals that the number of Master's programmes at UM is almost 7 times than that at MCAST. The portfolio of Masters by research programmes is 136 at UM and is absent at MCAST.

9.1.2.4 Research

A leading variable in ranking exercises is the extent of research initiatives. Malta's national target, an indicator that was agreed with the European Commission, is to achieve a 2% mark in research and development initiatives in proportion to the GDP. Despite this target, Malta's research share is only 0.55% of the GDP (Malta Chamber, 2019). A rate of less than 1 % was recorded amongst other seven other EU member states that include: Romania (0.5 %), Latvia (0.51 %), Cyprus (0.56 %), Bulgaria (0.75 %), Croatia (0.86 %), and Lithuania and Slovakia (both 0.88 %). On the other hand, Sweden (3.33 %), Austria (3.16 %), Denmark (3.06 %) and Germany (3.02 %) have the highest research and development expenditure in Europe, above 3 % of GDP. Most importantly, Malta was the only country in the EU where Research & Development (R&D) intensity in 2017 was at the same level it was in 2007. Overall, EU spending vis-à-vis R&D amounted to €320 billion which is equivalent to 2.07 per cent of the EU's entire GDP (World Bank, 2019).

A study conducted by a European Commission (2010) expert group compiled an overview of research indicators, classifying them in five main streams: research productivity (research publications and outputs); quality and scholarly impact (number and percentage of publications in top-ranked journals, citations, number of keynote addresses, prestigious awards, international visiting appointments, editorial and refereeing for national and international journals; innovation and social benefit (external research income, number and percentage of grants won, research income per academic, employability of Ph.D. graduates, commercialisation of generated Intellectual Property, funding from end users); sustainability and scale (postgraduate research student load, number of

collaborations and partnerships, doctoral completions); research infrastructure (research active academics, total R&D investment, research infrastructure and facilities).

Some of the indicators, such as employability of Ph.D. graduates, total R&D investment, research infrastructure and facilities and external research income are analysed in other Chapters. An analysis conducted by Triki (2018) concerning the Web of Science has revealed the extent of Malta’s research efforts.

Table 9.11: A comparison of research performance indicators – Web of Science

	Total number of publications indexed (all databases) 1998-2017	Total number of citations	Percentage of cited publications
Malta	5,070	47,068	53.96%
Cyprus	19,436	203,662	61.28%
Luxembourg	16,065	170,423	65.74%
Qatar	17,332	126,012	60.3%
Bahrain	3,522	36,639	61.7%
Monaco	1,953	27,551	72.66%

Author: Colin Borg (2020) – table constructed by the author from a presentation delivered by Triki.

Table 9.11 shows that Malta’s performance in all indicators is lagging behind other small countries such as Cyprus, Luxembourg and Qatar. Malta fares better than Bahrain and Monaco in two indicators namely: total number of publications and citations but has scored very low when it comes to the percentage of cited publications.

Interviews conducted amongst Directors and Deans at UM revealed that ‘unfortunately there are no metrics used by the University that allow for the measurement of research output excellence in scientific research’ within the institution (UMI6), contrary to international practice. There are only sporadic measures such as the requirement of ‘publishing a number of research papers in order to

be promoted to an Associate Professor and a Professor’ (UMI5). The practice of academics is that of having an updated internet-based account in the form of Google Scholar which is an opportunity to gauge research output’ (UMI2 & UMI6). This research output measurement has been reinforced by a central online institutional repository that can be accessed at UM’s website. Despite this repository ‘there is no method to measure the research academic impact’ (UMI3). The lack of effective academic measurement in the form of an appropriate business intelligence is also evident in the ‘acknowledgement and tracking of funds for collaborative research such as COST Actions and Joint Erasmus Mundus’ (UMI3). There is also no measurement for ‘presentations of research work in national and international conferences, involvement in reviewing scientific journals and in community outreach’ (UMI5). The involvement in publishing their respective publications online on the University’s website is also poor, just exceeding the 50% mark since only 368 UM academics have their publications online from a total full-time academic staff compliment of more than 700.

The University of Malta shoulders the largest responsibility for research initiatives in Malta. This is indeed specified in the Research and Innovation Strategy for the year 2020 (2014: 11). The major avenues to increase the University’s research portfolio is to invest further in doctoral students and in collaborative research initiatives with local and international stakeholders. This entails that a stronger networking framework is to be built so that the University is capable of being involved in a large number of research projects, patent opportunities and funded projects.

This is another indicator which reveals the distinguishable research character of UM and MCAST is the number of publications per year and the number of cited publications. Both indicators are stronger at UM. The research publications indicator was mentioned by 10% of the UM’s participants. At MCAST the publications generated are limited to a maximum of two research journals per year which add up to not more than 30 publications in total. On the other hand, the number of publications at UM has been growing almost exponentially (UMST01).

Table 9.12 Number of publications at UM

Year	2015	2016	2017	2018
Total	5,610	12,615	21,677	32,229

Author: Colin Borg (2020) – Headcount Data collected from the Library Records, University of Malta

Table 9.12 divulges the number of UM publications that have increased by almost six times in just three years. Publications include all written work published by UM academics that involve books, book chapters, articles, conference papers as well as dissertations and theses. The publications are recorded on an institutional repository called OAR@UM. This repository is, in reality, a metadata search engine that can be used by other global search engines that help to increase UM’s visibility in the international research platform. An online repository influences rankings that base their assessment on the presence, visibility, openness as well as scholarly citations that are captured through internet-based platforms such as google. Webometrics rank institutions based on this methodology by analysing google scholar citations, the number of external networks linking to the institutions` webpages, the size in terms of number of pages that can be accessed by the public and the number of papers that are cited in the top journals. UM ranks in the 820th place and despite the evident improvement in terms of publications, the University still trails other University hailing from small states such as the University of Cyprus (666th place), University of Iceland (529th place) and the University of Luxembourg (600th place) (Webometrics, 2020).

9.1.2.5 Strengthening student internalisation at all academic levels: an avenue for financing institutions

Table 9.13: UM & MCAST total number of international students

Academic Year	2017/18	2018/19
UM total number of International Students	1,071 (9.3%)	1,073 (9.2%)
MCAST total number of international students	117 (6.3%)	296 (11.8%)

Author: Colin Borg (2020) - Headcount Data collected from the SIMS Office, University of Malta and from the Registrar’s Office, MCAST. Brackets showing percentage data. Figures pertaining to MCAST refer to international students who followed courses at level 5 upwards.

Increasing the number of international students in a harshly competitive environment is not an easy task. Table 9.13 shows that UM has less than 10% of its student cohort that is international. MCAST’s figures increased considerably from 6.3% in Academic Year 2017/18 to 11.8% in Academic Year 2018/19, surpassing marginally UM’s percentage figure. This specific indicator is further complicated if the intention is to increase revenues from the fees generated. Worth noting is

MCAST’s insistence, in its strategic documents, to increase the full-time students (MCST01). UM did not make a distinction between full-time and part-time students, neither through its participants nor through its strategic document.

Table 9.14: UM & MCAST fee-paying international students

Academic Year	2015/16	2016/17	2017/18	2018/19
UM Fee-paying International Students	510 (4.3%)	626 (5.3%)	682 (6%)	690 (5.9%)
Academic Year	2015/16	2016/17	2017/18	2018/19
MCAST Fee-paying International Students	20 (1.3%)	4 (0.22%)	56 (3%)	68 (2.7%)

Author: Colin Borg (2020) - Headcount Data collected from the Finance Office, University of Malta and from the Registrar’s Office, MCAST. Brackets showing percentage data. Figures pertaining to MCAST refer to international students who followed courses at level 5 upwards.

The internationalisation of students is an avenue to finance institutional operations. However, Malta’s HEIs face an uphill struggle given that students hailing from EU members do not pay any fees, if they register for undergraduate courses. Table 9.14 shows the low percentage of fee-paying students at the University of Malta, ranging from 4.3% from all student cohort in Academic Year 2015/16 to 5.9% in Academic Year 2018/19. MCAST’s figures are at a much lower level, stabilising at approximately 3% in Academic Years 2017/18 and 2018/19. These figures show that Malta’s internationalisation efforts have to target non-EU countries coming from the Asia Pacific, Africa and the United States. It involves an effective marketing campaign and the proper management of the international admissions and the international offices (UMST01). Attracting students without strengthening the product delivered by institutions would result in a boomerang effect. Classroom dynamics, excellence in the teaching pedagogies and the development of online and blended courses (UMST02 & UMST05) are teaching and learning domains that strengthen the institutional internationalisation product.

This is a challenge for both UM and MCAST given the very low percentage of courses based on advanced IT platforms. As revealed in Chapter 3, online courses were still a rare occurrence at both UM and MCAST especially at the latter institution. This was the case until COVID-19 crisis re-

dimensioned the entire operational activities of institutions. There is still ‘a strong opposition from some high-ranking academics’ towards this ‘modern approach to learning’ (UMST05) even though it can be a means to attract international students. The opposition stems from the fact that it needs much more energy to manage and because traditional academics still believe in face-to-face learning. The response to such a concern is the adoption of blended learning, a hybrid of online learning and the traditional lecturing approach (MCST03).

One way of ensuring a constant and a balanced influx of foreign students is the collaboration with foreign institutions to offer joint or double undergraduate and postgraduate degrees. This was a theme mentioned in every strategic process at both institutions. However, the opposing force is the complexity to run these international programmes and the expenditure involved in setting up governing structures to assist in the management of these courses. At UM an International Master’s Programmes (IPMs) Office was set-up in 2008 which, by time, has lost its effectiveness having been diluted given the lack of readiness from Faculties to leave the power in the hands of a centralised office.

Table 9.15: International UM accepted applicants versus enrolled students

Academic Year	2016/17	2017/18	2018/19	Total
Accepted	591	667	740	1,998
Enrolled	428 (72%)	412 (62%)	430 (58%)	1,270 (64%)
Variation	163 (28%)	255 (38%)	310 (42%)	728 (36%)

Author: Colin Borg (2020) - Headcount Data collected from the International Admissions Office, University of Malta, Brackets showing percentage data

To complicate matters, experience shows that the actual number of international students who enrol in one of the courses offered by the public institutions is problematic when compared to the number of applications received. Table 9.15 reveals the extent of this problem and how it has worsened in just three Academic Years. In Academic Year 2018/19, the percentage of international students who were accepted but did not actually come to the University increased from 28% to a staggering 42%, almost half of accepted applicants.

Challenges ranging from VISA problems to the speed in which the applications are processed influence significantly the enrolled number of students. The harsh reality is that the broader the number of countries from which international students come from, the greater the difficulty for the

International Admissions Office to write brisk and fast comparability evaluation reports in order to issue the letter of acceptance at the shortest time possible.

Other factors also determine this indicator. These include the number of qualified applicants that are attracted to course versus the unqualified and the level of accommodation offered by institutions, a variable that both UM and MCAST are working on. The institutional dependence on external state agencies such as Identity Malta was specifically highlighted. Identity Malta is indeed a crucial external stakeholder for Malta’s HEIs in the issuing of VISAS. Although such a state agency is to have the necessary, independence, autonomy, flexibility and liberty, initiatives were adopted in order to ease the bureaucratic process.

One of the most effective initiatives is the availability of Identity Malta staff at the institutional campuses to process VISA applications. Most international students, especially non-EU ones, found it much easier to deal with their VISA issues at the institutional campuses. Effective liaison with embassies is another dimension of effective collaboration with state agencies. The promotion of HEIs with these embassies is a marketing tool not to be underestimated. The promotion of Universities abroad could not only depend on embassies but on the motivation of ‘University Ambassadors’ who transmit their positive energies into new foreign cultures. Other participants stressed the possibility of strengthening the institutional relationship with such crucial external state agencies: the Ministry of Foreign Affairs and the embassies (UMST02).

Table 9.16: Erasmus student exchanges at UM & MCAST

Academic Year	2015/16	2016/17	2017/18	2018/19
UM Erasmus Students Received	391	372	408	359
UM Erasmus Students Sent	300 (2.6%)	316 (2.7%)	314 (2.7%)	356 (3.1%)
Gap (more received than sent)	91	56	94	3
Academic Year	2015/16	2016/17	2017/18	2018/19
MCAST Erasmus Students Received	N/A	N/A	22	17
MCAST Erasmus Students Sent	34 (2.2%)	83 (4.7%)	79 (4.2%)	77 (3.1%)
Gap (more sent than received)	34	83	57	60

Author: Colin Borg (2020) – Headcount data collected from the International Office, University of Malta and from the Registrar’s Office, MCAST. Brackets showing percentage data of UM and MCAST Maltese students going on an Erasmus abroad out of the total UM and MCAST student population.

Increasing the number of international students is not only limited to full-time regular students. Exchange students who study at a foreign institution for a specified period of time, normally for a semester, is also an important indicator (UMST01, UMST03 & UMST05). Table 9.13 divulges the extent of student mobility in terms of Erasmus at UM and MCAST. Figures show that in Academic Year 2018/19 only 3.1% of the Maltese students, when compared to the total student population, went for an Erasmus exchange. UM's experience is different than MCAST's in the sense that it receives more Erasmus students than it actually sends to foreign HEIs. The number of Erasmus students compare better than the University of Cyprus as from 1998 onwards, the outgoing and incoming students reached a total of 2,500 and 2.100 respectively, an annual average of 114 outgoing and 95 incoming students (Times Higher Education, 2020).

The management of student mobility has become a headache given the hundreds of agreements that HEIs have with international partners. The University of Cyprus is involved in more than 750 Erasmus agreements (Times Higher Education, 2020), therefore student mobility is significantly hindered by the multitude of agreements and the bureaucratisation of the entire system: in the majority of cases students have to wait a whole year to go for a semester abroad (UMST01). The red tape is worsened by the discrepancies that exist between the programmes of study being delivered in different countries. Some academic disciplines, that are particularly locally oriented, could be problematic for students to match study-units with those offered by a foreign university. To make matters worse, the inflexibility of the system pertaining to the transfer of credits is rendering student mobility as a very difficult and an unattractive task. Students and staff often complain that 'UM is too obsessed with having the exact ECTS credits requirements' (UMST02). To facilitate the situation, UM is in the process of procuring a specialised software that can also serve as a means of networking with more than 200 European Universities. Such a specialised IT software could help the University manage better Erasmus exchanges and to develop a mechanism to follow up bilateral agreements.

9.1.2.6 Employability, Placements and Internships

As was demonstrated in the policy dimension of higher education strategy, and in the graduate tracking example cited at the beginning of this chapter, employability is an essential feature of the intellectual product being delivered by HEIs. Together with placements and internships,

employability amounted to 19% of all comments put forward. Nevertheless, the objective of achieving the notion of universality in Malta’s graduates was consistently mentioned at UM’s strategic process. The concern was hardly mentioned at MCAST. The creed put forward by UM academics was that the total number of potential graduates in Malta is far from being reached and is still an idea that has never materialised (UMST02). Data available at the University of Malta reveals that in reality the mindset of graduate is very much oriented towards one academic niche that gives them access to a specific career.

Table 9.17 Number and percentage rate of UM Engineering, ICT and Science graduates that have studied a foreign language other than English

Academic Year	2014/15	2015/16	2016/17	2017/18	2018/19
Number of graduates	62	63	37	41	53
Percentage Rate	19.4%	19.9%	10.6%	12.1%	15.9%

Author: Colin Borg (2020) – Headcount and Percentage Data collected from the Office of the Registrar, University of Malta

Table 9.17 postulates a miserable average of around 50 Engineering, Science and ICT graduates chose a foreign language other than English and Maltese in the period 2014 until 2019. The percentage rates are very low and vary between 10.6% and 19.4 %. The foreign languages included French, Italian and German. This concern has been articulated in the MATSEC reform that was launched in May 2019 to address the lack of learning foreign languages amongst Maltese graduates. The apprehension is that in future Malta’s graduates will not retain their competitive edge if they lose the traditional multi-lingual competence in the international arena (UMST05). However, the MATSEC reform proved to be a controversial initiative, with key players hailing from the Maltese and English Departments criticising the introduction of a compulsory foreign language other than English and Maltese. This reality demonstrates that stakeholder involvement in any institutional or national reform is essential, otherwise it will not be implemented.

Placement and internships are an effective way to prepare graduates to the labour market (UMST03). These two facets of student learning are to be part of the formal programme of study and be accredited in a proper manner. The major inhibitor towards this governing initiative is that students

nowadays are already struggling to balance study with employment (UMST03) and therefore a practicum study-unit would render the student's situation worse.

The lack of placements and fieldwork activities is corroborated by the limited number of study-units at UM that do provide a practical element to courses. From a total of 5,000 study-units that are offered each year only 115 units are of a practical nature. This means a marginal percentage rate of 2.3%. The practical units are mainly concentrated in academic disciplines focused on education, health sciences, social wellbeing, medicine and surgery, science, dental surgery, physical education and sport.

9.1.3 The strategic governing response of the dynamic spheres model

Once the strategic themes and the fundamental indicators that are related to the sharing of knowledge are determined, another layer in the dynamic spheres model is the analysis of governance. The governing facets that are discussed in this section are similar to those discussed in chapter 8. The facets extend from strategic governance, institutional design, intra and inter-collaborative arrangements, the constant inter-relationship between governance and management as well as the bureaucratic administrative processes.

The salient advantage of applying the dynamic spheres model is having a holistic perspective that has come out so evidently clear in the course of this thesis. The strength of the dynamic spheres model is that it can be applied in all the different strategic institutional choices. As a practical case-study, the model can be functional in relation to the partnerships and collaborative bridges created with the industry. In today's economic environment, institutional initiatives to collaborate and to share knowledge with the industry was highlighted continuously by both UM and MCAST strategy participants. From a governing perspective such an industry link requires a strategic direction. The strategic choice to collaborate more with the industry involves a list of governance and management attributes. The use of indicators helps institutions take stock of the situation and to craft targets. The creation of new management support units such as Business Incubator and Take-Off at UM create an atmosphere of entrepreneurship and innovation. These units conduct intra-collaboration with the governing bodies including Faculty and Institute Boards. Inter-collaboration with Malta's Chamber of Commerce is necessary to build the necessary bridges as well as effective management with

respect to marketing, training of staff and student sponsorships. Close collaboration with the industry can be inhibited by complex administrative processes that emanate from the governing bodies and implemented by regulatory and management support units. Therefore, the advantage of the dynamic spheres model is that institutions have a map of a continuum of governing and management actions, at times detailed and specific, that they need to consider when taking strategic decisions at the governing bodies. The details are outlined in the following sub-sections:

9.1.3.1 Governing through strategy: alignment and collaboration with industry

Governance was strongly highlighted by participants when the institutional-industry collaboration was being discussed, much more than it was the case in other strategic themes. A total of 69 comments or 30% from all submissions mentioned the governing and management factors at UM's strategic exercise. This is a curious result that sheds light on the commercialisation of public HEIs along the years and the importance that industry has in the manner that institutions craft their future. The governing factors mentioned were several but the most prominent was the silo mentality between departments that weakens the intra and the inter-collaboration that is required for large-scale industry endeavours. The silo mentality inhibits the sharing of information between departments which subsequently precludes enterprise intelligence-building. As was emphasised in the research and knowledge transfer strategic dimension, multi-disciplinarity is a key governing aspect in the *modus operandi* of today's institutions. The lack of inter-collaboration is manifested by a weak link that UM has with the Malta Chamber of Commerce, which has the necessary expertise and infrastructure to help the University to come closer to the industry and tap funding (UMST05).

Learning and knowledge transfer can be effectively enhanced through university-industry research partnerships. Philbin (2013) argues that knowledge transfer is a major contributor towards improved technology development within industry. These education-industry partnerships are also a source of research funding at universities.

The question is how close to the industry realities is higher education and *vice-versa*? This theme was constantly emphasised throughout both UM and MCAST's strategic processes, irrespective of the institutional orientation. At UM, reference to this particular governing theme amounted to 51% of all the comments related to the industry. The major institutional difference is that while MCAST

presents a unified relationship with the industry, UM has an asymmetric relationship with the industry through the various different faculties encapsulating faculty culture and character (UMST01). As an example, the manner and the intensity in which the Faculty of Arts reacts to the industry exigencies is completely different from the Faculties of Engineering and ICT. The courses delivered at the Faculty of Arts have a much general academic notion than specific practical industry orientation that exist in science-oriented courses.

The point stressed repeatedly at MCAST was that the best manner in which HEIs can prepare their students to the industry's realities is by emulating the work environment through the introduction of augmented reality classrooms (MCST03). Vocational institutions, such as MCAST, tend to be more sensitive to the augmented reality aspect and place a larger value in courses such as the maritime-oriented programmes that rest on the practical side of learning. The hard reality is that this way forward is not always a viable alternative given that the institutional infrastructure does not necessarily reflect the real world (MCST03). Therefore, the only possibility would be to design practical based study-units in courses where students have the possibility to practice the profession in the industry setting itself rather than in a laboratory.

The challenge remains to transform Malta's HEIs from reactive institutions into proactive vibrant HEIs that react to the exigencies of the outside world in a more rapid manner (UMST04) given that the traditional classroom settings are not sufficient for today's dynamic industry environment. The immediate necessities of the industry do not always coincide with the higher education institutional pace (MCST02). Whether it is a governing institutional deficiency, or an extreme short-sightedness of private organisations is a matter that requires investigation.

9.1.3.2 Governing through strategy: the financial injection for research purposes

Despite the fundamental importance of having a research strategy for a research-based driven economy, this governing facet was never mentioned during the institutional strategic exercises. The governing challenges exist on three levels: first, the strategic and policy dichotomy that was also found in other areas such as graduate tracking; second, the organisational design in the form of new governing structures and third, the management action through financial input.

Malta has published a national research and innovation strategy (2014) that targets the year 2020 in order to achieve the strategic objectives outlined in the document. The crafting of the strategy required the inter collaboration of the Malta Council for Science and Technology (MCST), the Ministry for Education and Employment (MEDE) and the Parliamentary Secretariat for Research, Innovation, Youth and Sport. The main objectives of the strategy were to achieve a comprehensive R&I support ecosystem to achieve a stronger knowledge base and to attain a smart, flexible specialisation. The essence of the R&I strategy was to sustain a knowledge and innovation driven economy (2014:9). This is another example of the strong interlink between academic research and the economic interests of a country which highlights the crucial notion of having a comprehensive dynamic spheres model as being proposed by this thesis.

A notable consideration in the research and innovation strategy is that higher education was mentioned just twice in an entire document this being just part of a statistical explanation. The emphasis on higher education was completely omitted from the strategic pillars of the R&I strategy, a symptomatic element of the lack of appreciation towards the interoperability of policy-making: in this case research and innovation with higher education.

Table 9.18 Malta's research expenditure as a percentage of GDP **€000s**

	2015	2016	2017
Government Sector	11,803	764	607
Business Enterprise Sector	36,729	36,366	43,072
Higher Education Sector	22,960	21,571	22,248
Total R&D Expenditure	71,491	58,702	65,928
% of GDP	0.74	0.57	0.58

Table extracted from an NSO Press Release published in 2019 entitled:

9.1.3.3 Research and Development in Malta

The strategic and policy challenges are further accentuated by the weak financial injection dedicated to research. As revealed in Table 9.18, the expenditure on research in higher education remained at the same level between 2015 and 2017 but has decreased as a percentage of GDP and fell to an

almost negligible amount of 0.58%. World Bank data shows that research expenditure is higher in many other European countries: Austria (3.17%), Belgium (2.82%), Check Republic (1.93%), Denmark (3.06%), Finland (2.77%), France (2.20%), Germany (3.09%), Iceland (2.03%), Italy (1.40%), Luxembourg (1.24%) and United Kingdom (1.72%). Very few countries such as Cyprus have the same level of research expenditure (0.56%) (World Bank, 2020).

Funding is indeed a major perennial inhibitor for research in Malta. Chapter 7 revealed the poor investment that is injected annually when compared to the entire Gross Domestic Product (GDP) of the island. The amount of budgeting for research purposes at UM that is forked out from purely university sources is an abysmal €750,000 out of an annual total budget of €110 million. This constitutes just 0.7% of the entire university budget. Chapter 6 has also demonstrated that 80% of the UM's budget and 96% of MCAST's budget is dedicated to staff salaries. These percentage figures reveal that the major challenge for Malta's public HEIs is the generation of internal funds that could lead to less dependency on central government sources.

As from the year 2007 UM's efforts, to set-up governing structures that help the university to raise funds internally has led to significant results but more is required in order to increase the research strength of the University which ultimately could boost the very low national research component, that is only 0.55% of the national GDP. Governing structures such as the Research Support Services Directorate (RSSD), the Project Support Office (PSO), Malta University Holding Company (MUHC) and the Research Innovation and Development Trust have helped the university to attract more funds.

9.1.3.4 Institutional Design

The strategic initiatives related to knowledge sharing required the set-up of a number of management support units. The first case revolves around the units that were set-up at UM to help strengthening the bridge with the industry. The Business Incubator and Take-Off were new management support units that were created to assist students from a resources and expertise point of view to develop their entrepreneurial ideas. The question remains how can HEIs attract the industry more to provide sponsorships to students and to invest more in institutional courses? Finding an effective balance between academia and the exigencies of the industry is not an easy task. The industry demands of

HEIs the necessary leverage in order to carry out research and development in return for sponsorships, placements and financial assistance. Contrary to UM, MCAST does not have a central umbrella framework to support industry collaborations (MCST01). The central dealings are left in the hands of the Chairman. Therefore, the essential governing difference between the two institutions is in the creation of a formal management support unit at UM versus the domination of the highest leader in the institutional-industry dealings at MCAST.

In the second case, a new governing body was set up in 2017 in the form of UM Doctoral School with the intention of co-ordinating the UM doctoral researchers. The argument that was mentioned frequently in the UM strategic process was that when creating new governing bodies, a one size fits is not the ideal scenario in a University with more than 120 departments. Therefore, governing bodies that have the function of an umbrella support framework are to have the necessary flexibility and adaptability that different departments and faculties require. This argument brings us to another example stemming from the opposing forces of the governing equaliser. Presently, any student request is channelled through the Doctoral School. This administrative system is creating a bottleneck and could potentially hinder the drive of UM to increase its doctoral researchers by 40%, a target that has been specified in the strategic process. The realisation of an indicator does not only involve having the necessary governing bodies and units in place but other considerations such as logistics are at play. The lack of a dedicated space that is specifically available to doctoral researchers and part-time students hinder the sense of an academic and research community that is essential in order to increase both the students and the research intensity.

In the third case, the dynamics of institutional design vis-à-vis the attainment of a fundamental indicator can be observed in a student-centred learning environment. This is the improving of the rates of attainment and completion. Governance is intertwined with management through the creation of a management support unit at UM in the form of OPAD (the Office for Professional and Academic Development) that helped the University to embark on designing continuous professional development courses for academics (UMST02). Such an initiative was mentioned as influencing the retention rate of students and to increase the rate of graduates. This kind of management support unit does not exist at MCAST and there is no plan to invest in it. MCAST's strategic process ignores this strategic requirement. OPAD is experiencing significant problems in finding the right staff to lead such an initiative, mainly because the ideal official, who is currently reading for a Ph.D. degree in

this academic domain, is already a deputy IT services Director. This is an example of the limitations experienced in small island states.

CPD courses are of fundamental importance since the absolute majority of UM academics expressed their view of ‘being thrown at the deep end’, ‘without any training to teach large groups of students’ (UMST01). ‘Academics who are not pedagogically mentored maybe the best experts but they will not be proper educators’ (UMST04). ‘New recruits need to be trained and provided with the necessary mentoring’ and ‘induction courses should be obligatory to new academics, including professors’ (UMST05). Induction courses for academics were introduced in October 2018 and another edition was organised in January 2020.

9.1.3.5 Inter-institutional and intra-institutional governing collaboration

As was established in Chapter 8, institutional design is paralleled by initiatives in the form of intra and inter-collaborative arrangements. Taking the teaching and learning dimension as an example, the use of the Virtual Learning Environment (VLE), lecture capture, online learning and online library facilities involve the intra collaboration of five management support units at UM: IT Services, the Library, the Office of the Registrar, the Office for Human Resources Management and Development as well as OPAD. The collaboration of all these units is essential to deliver a service that is of help to academics in their teaching delivery. This intra-collaboration may prove to be difficult when having such a large number of units working in tandem.

Another case stems from the efforts of HEIs to mark their way on the international platform through an intensive inter-collaborative relationship with other partners around the globe. This theme was already explored in Chapter 3 and was significantly stressed by both UM and MCAST (MCST02). The active participation abroad through small scale initiatives and also via mega collaborations that amount to millions of funds in the form of Marie Curie Programmes strengthens the internationalisation process and in turn helps institutions to achieve another fundamental indicator, that of registering more international students. Governance requires management competence and the involvement of key officials. Participation can also be passive, such as just the presence of an institutional member of staff, but it is sufficient to put a small island state such as Malta on the

international networking sphere. Being involved in international research projects with renowned institutions is a major contributor towards a stronger internationalisation.

9.1.3.6 The ongoing interaction of governance and management

When analysing the strategic institutional-industry collaboration, institutional design and collaborative arrangement, a constant connection between governance and management was observed through several practical cases. In this section, other cases expose this connection between governance and management: international students and research output.

In the first example, the set-up of an international office was intended as a support system for foreign students who live on the institutional campus (UMST04). Therefore, the management support set-up of the international office involves several management issues ranging from finding suitable accommodation, campus orientation, practicalities related to transport, formalities related to government agencies and extra-curricular activities all of which have an impinging influence on student experiences. The initiative of both UM and MCAST to invest in student accommodation and to improve campus dynamics are essential features to attract more foreign students and staff. This particular initiative has been completely missing in the past. The improvement of campus dynamics is not limited exclusively to the buildings. It also involves the creation of an international atmosphere, an international community that embraces the different cultures, either through the organisation of festivals or get-togethers (UMST02). The organisation of country-led festivals throughout the year helps to create a sense of family to international students and helps to create a cultural mix and a sense of togetherness in diversity. In essence, cultural celebrations are a means towards the integration, rather than segregation, of the international community (UMST03). Participants also highlighted that ‘governing structures are to be aided by management competence to handle foreign students appropriately’ in a manner where central-local relations work appropriately and therefore ‘International students are to be taken care of especially in large faculties where it is easy to get lost’ (UMST04).

The central-local relations syndrome leads to the second example: research output. The analysis of data brought to the surface aspects of institutional design since the global institutional publication figure is analysed per faculty. The comparison of research outputs across the institutional faculties

helps to address the challenges and help investment in research resources (UMST01 & UMST03). This scenario is leading to difficulties in measuring the research productivity of academics on an individual basis (UMST04) to what is called the per-capita distribution of research publications. A worrying central-local difficulty was observed when a significant proportion of UM's academics were not even aware of the governing units that could help them to apply for academic projects and funding even though they insist that they are dedicating too much of their energy on administrative duties.

Institutional design is attributed to a management concern: that UM research is too individualistic and is consequently leaving little space for multi-disciplinarity. Academic teamwork is crucial for institutions to attract substantial EU funding and to be involved in mega international projects. Most UM participants described a phenomenon that was not mentioned in MCAST, that the University is so large that most academics from different faculties do not know each other and therefore they do not have the mindset to work in multi-disciplinary teams. The UM is trying to mitigate the lack of multi-disciplinarity by creating research platforms in data science, industrial heritage, human rights law and humanities, medicine & science. The data science platform has brought together academics from the Faculty of ICT, the Faculty of Engineering and the Centre for Molecular Medicine and Biobanking to promote research in data mining, data analysis, machine learning and signal imaging processing techniques (UMSN05).

Data analysis in research output brings about another difficulty: the divergent realities that exist in the sciences and humanities. While in the sciences the impact factor of a publication is a major determinant of the research quality, this is a difficulty in the arts and humanities. A publication could be of the highest academic quality, but it is not possible to have an impact factor as a measuring tool. This issue brings us to the fourth concern, the importance that research findings are disseminated effectively to the citizens and to society (UMST02). Research that is left within the institutional ivory walls does not leave the desired influence in society.

9.1.3.7 Bureaucracy and administrative processes

The mantra of academics is that if governing and management arrangements are in place, the adopted procedures and processes are to help the same institutions to achieve the targets rather than

functioning as inhibitors. An example can be collaboration with the industry. The procedures linked to collaboration with the industry are ‘administratively complicated’, ‘cumbersome’, ‘loaded’ and ‘time-consuming’ (UMST03, UMST05, MCST03). The new regulatory and management support units that were specifically set-up to assist academics to build bridges with the industry were being criticised that a one-size fits all mentality has been instilled in the University. A simple procedure that was intended to govern industry collaboration better turned into an inhibitor to academics This is another example of the opposing forces stemming from the governance equaliser. The procedure specifies that academics cannot be involved in two projects in parallel if an average level of teaching academic effort is achieved in an academic year.

The governing of a fair and learning process, a determining factor to keep students at institutions, is another example of the complex administrative processes emanating from regulatory units that involve the Quality Assurance Offices at both institutions as well as APQRU at UM and the Curriculum Office at MCAST. Factors mentioned at the strategic processes varied from the design of assessment criteria (UMST03), the assessment modes, the mix of assessment modes used in a holistic programme of study, the percentage weighting allotted to the assessment methods applied (MCBG03), the teaching evaluation methods after the study-units are delivered, student feedback (which was analysed in detail in Chapter 6), the manner in which Boards of Examiners are appointed and subsequently operate to the consistency in which students` work is marked by examiners (UMSN06).

All factors point into one unified direction: that of ensuring that students are assessed in a just and fair manner (UMST03). A fair and a just assessment process may seem an obvious task, but it could prove difficult to manage. The first challenge stems from ensuring that students are being assessed on a level playing field and therefore a uniform criterion exists on which marks will be allotted. Universities composed of hundreds of departments, as it is the case of UM and contrary to MCAST, may find so many different criteria and academic expectations (UMST01). The second challenge is the assurance that students are not cheating whilst they are submitting their work for assessment. To manage such a delicate process HEIs are investing into specialised software that is delivered by international corporations (UMST05). Used software ranges from plagiarism detection to online examinations. This ICT revolution that is infiltrating HEIs is changing the *modus operandi* of planning and administering assessment. The third challenge is the manner in which assessment is

designed. The availability of sample papers helps students to prepare adequately for exams although this also has its setback given that certain academic disciplines require a significant amount of effort to produce sample papers (UMSN04). A long-standing debate also exists with regard to negative marking in multiple choice questions. To some academics, such an assessment design is seen as regressive as it does not contribute towards the idea of having a formative assessment. The excessive reliance on the end of semester examination is also criticised as being unfair and regressive since such assessment models do not necessarily reflect the commitment of students throughout all lectures (MCBG01).

A pressing challenge for assessment reliability is the publishing of marks and grades within a reasonable timeframe and well ahead of the supplementary session so that students have enough time to prepare for their crucial repeat assessments in case they fail their first sit. UM students complain about the excessive time taken for the University to publish results (UMST04). Deadlines are set for two months and efforts are underway to reduce the time limit to one month only. This is possible through the negotiation of a new collective agreement for academic staff. Such a measure will have its negative will put more pressure on academics who teach large classes of hundreds of students. It will also create an unjust situation given that classes vary from hundreds of students to just five students. Despite this perception, University statistics show that a very high percentage of the results, around 96%, are published within the stipulated deadlines.

9.1.4 The management perspective of the dynamic spheres model

The preceding section emphasised the constant interconnection between governance and management. This section outlines the various management tools in the spheres model that are used by institutions through the interplay of various governing and management arrangements.

9.1.4.1 Communication and marketing: conveying a 'sexy' message, enhancing the research reputation and knowledge transfer to society

The first management tool in knowledge sharing is communication and marketing. Management support units such as the Communications and the Marketing Office that were created to project the 'institutional conscience' to the industry are required to work with the Office of the Registrar and the Research Support Services Directorate in order to use a number of modern management tools to market courses and to showcase better their student work to the industry as a way to attract funding opportunities. This management factor was mentioned 17% from all UM's comments. Participants stressed the notion that the institutional communication and marketing efforts have to appeal to today's young generation and the collaboration industry in a 'sexy manner' (UMST01).

The million-dollar question is: how can institutions be sexy? Birdgstock and Tippett (2019) emphasised the creative solutions and prototypes developed by students in events, such as exhibitions that are aimed towards industry professionals. Testimonials of alumni help in transmitting the intended message to targeted industry niches. Reaching out also means educating the industry that graduates cannot be 'ready-made human capital' (MCST03). Graduates are not prepared as ready-made machines that can fit for one specific job only. To survive in the labour market, they need to have the necessary flexibility to be able to perform several jobs and to change the nature of their career. The dialogue with the industry could be conducted better through strategic advisory groups (UMST04) that potentially develop joint research projects between the industry and HEIs.

The marketing and communicative tools used by HEIs include websites and social media. One of the most mentioned proposals, that does not involve any substantial capital injection, was that academics are to ensure that their profiles are updated appropriately. Institutional websites can project the academic competence of academics, but staff biographies could be taken to another communicative level if an online directory of services that can be offered to the industry is developed and published online. Reaching out to the industry is substantially different than reaching out to the general public. Sophisticated means of marketing have to be designed to communicate high-level research endeavours that could potentially find partnering on an international platform (UMST02).

Marketing and communication extend to the broadening of the institutional image and engagement around the globe. Resultantly the objective of putting institutions on the global map and to increase international students requires the working cooperation between several management support units: Marketing and Communications Office, the Office of the Registrar and the International Office. They need to work in tandem to use an effective marketing tool with the younger generation, that of spreading an encouraging ‘word of mouth’ (UMST03). The advertisement of success stories and biographies are other practical marketing ways to attract more international students, provided that there is sufficient institutional capacity to enrol more students from different countries. Practical-based marketing helps to improve the international personality and profile of HEIs, a key aspect to attract foreign students. A debate ensued at several instances of the UM’s strategic process whether marketing should be focused on the entire institution or on particular aspects of the University (UMST01).

The interplay of management support units when using communication tools is also evident in the strengthening of the institutional research reputation as well as in exposing the visibility of the research being conducted, a factor that was mentioned by 10% of UM’s participants.

The manner in which academia is to engage with society and the way it is governed and managed is debated through two main different views: the first view is that academics are guided properly through the central offices on how to engage with industry and the civil society. The second management viewpoint is that this role pertains purely to professionals and therefore to achieve the desired results, it has to be done by professional marketers. This view was criticised by many academics at both the strategic and senate meetings given that it inhibits academic freedom. Most academics are more in favour of a hybrid approach that is similar to the first option.

Institutional reputation is strengthened through the dissemination of knowledge amongst the main key players and the civil society, a theme that was extensively emphasised in the preceding chapter. Various internal and external communication techniques were mentioned in the institutional strategic exercises. There was a strong focus on improving the social media that enables significantly institutions to engage better with society in a more effective manner through modern and so called ‘sexy’ platforms. This does not entail ignoring the traditional manners in which HEIs transmit their

research endeavours. The creation of a Malta-centric research publication that rationalise the thematic journals is an idea that could possibly include other public HEIs especially MCAST.

An effective tool to convey the complexity of academic research into an attractive read to the common citizen is the publication of a magazine or a research volume. UM publishes the *Think Magazine* every three months and embarks on a nation-wide annual symposium of science research in the capital city of Malta, Valletta. The event is called: *Science in the City*. MCAST on the other hand publishes a research volume every year. The communicative tool of these research publications is two-fold: first, it gives people access to research and it gives the institution the necessary exposure to the market and the industry. The challenge to these institutional publications is to ensure a broad coverage of all academic disciplines. MCAST's Research Volume is to embark on research that is conducted by authors from outside the institution given their severe limitation in this aspect. This shows that academia is to be constantly engaged with managerialism in all strategic spheres if institutions are to survive in today's competitive environment.

9.1.4.2 Use of technology: enhancing the learning experience

Digital technologies are another example of knowledge-sharing that involves the interplay of governing and management arrangements. Educational technology is the vehicle that provides a platform for students to experience learning that takes them beyond classroom dynamics (Georgiadou & Siakas, 2006). The use of the virtual learning environment (VLE) facilitates this notion since students can access all their course material on a virtual blackboard, even in cases when it was not possible for them to be present for a particular lecture (UMST03). After the COVID-19 crisis, HEIs are going a step forward through the use of purely online learning or through blended teaching and learning.

The COVID-19 crisis meant that all UM governing bodies, academic units, regulatory units and management support units had to come together as an *ad hoc* structure in the form of an 'emergency response team'. The management challenge surrounding the use of digital technologies such as lecture capture, online tuition as well as digital assessment require the academic as well as the management capability to handle these ICT instruments. HEIs that employ thousands of academics, as it is the case of UM, have to train their academics to use these modern tools effectively (UMST02

& UMST05). As an emergency measure 26 training sessions were organised by the Human Resources Office in collaboration with IT Services and the Office of the Registrar, training more than 1,000 participants. This was a big leap forward for the University.

9.1.4.3 Human Resourcing Management: Embracing staff internationalisation

The indicators defined in Chapter 6 provided a holistic overview of the HR situation in both institutions. The setting-up of management support units such as HR has translated into much more focus on human resources management. This part discusses the internationalisation of staff, an important variable to ensure a dynamic mix of cultures and brains from around the globe in institutions.

Table 9.19: International staff at UM

Academic Year	2016/17	2017/18	2018/19
Academic staff	112	101	105
Managerial, Administrative and Technical staff	21	28	30
Project and contract-based staff	23	55	62
Total	156	184	197

Author: Colin Borg (2020) – Headcount Data collected from the Human Resources Office, University of Malta.

Table 9.19 discloses that at UM, 105 academic members of staff employees come from a foreign country, 6% out of the total staff population which in 2019 stood as 1,746. The UM is an example of internationalisation given that 3% of the administrative staff, 6% of the part-time visiting and casual academic staff and 8% full-time resident academic staff are foreigners. Furthermore, the rate of non-Maltese nationals is increasing towards the 15% mark. These figures show the exponential rise of foreigners (UMST01) and reflect the tendency of the aggressive annual increase of foreign nationals in Malta on a national scale (UMST05).

Attracting international academic and research staff of high academic standard is also not an easy task. In order to try to attract foreign academic talent, at a UM Council meeting an extraordinary decision was taken to recruit an international academic at an Associate Professor level (UMCN04). This was a controversial decision given that the entry point of an academic is normally at a lecturer level who is eventually promoted to higher grades in the form of a senior lecturer and an associate professor. The use of English language in Malta’s education system helps significantly in attracting

foreign students and in making the life of talented foreign academics to teach and research in Malta easier. However, tension exists between allowing the use of Maltese Language, whenever possible, and to keep on using the English Language. Lecturers report lack of participation from Maltese students in debating and discussions simply because of the use of the English Language. On the other hand, the use of the Maltese Language and the excessive use of local oriented examples to discuss theoretical concepts can be frustrating and can subsequently become a learning barrier to both students and foreign lecturers (UMST03). Efforts should be undertaken to find a fine balance between the Maltese and the international context. This fine balance is key to sharing cultures and to internationalise the teaching and learning process.

The engagement of foreign co-supervisors and examiners is another element of internationalising staff. Apart from ensuring effective checks and balances from other foreign institutions, such a practice injects practices and standards that are adopted abroad and could potentially contribute towards a better approach in the manner that courses are governed. One of the major inhibitors towards attracting academics from reputable institutions is the low level of honoraria offered by both UM and MCAST due to a limited budget. The honoraria issue for doctoral level supervisors has been addressed by UM’s Doctoral School and has increased by almost eight times from 180 euros to 1,350 euros for the entire Ph.D. degree. This was important given that one-third of all doctoral students have a foreign co-supervisor.

Table 9.20: Erasmus staff exchanges at UM & MCAST

Academic Year	2015/16	2016/17	2017/18	2018/19
UM Members of staff (Academic, Administrative and Technical)	46 (2.7%)	58 (3.4%)	62 (3.5%)	85 (4.7%)
MCAST Members of staff (Academic, Administrative and Technical)	46	75	39	82

Author: Colin Borg (2020) – Headcount Data collected from the International Office, University of Malta and from Human Resources Office, MCAST. Brackets showing percentage data of UM staff going on an Erasmus abroad out of the total UM staff population.

As is the case with students, staff mobility is an important way to gain experiences from abroad and to build bridges with foreign institutions. Staff mobility helps academics embark on research projects abroad and administrative staff to build foreign networks that help them immensely to learn how and

what other universities are doing when responding to the emerging realities (UMST04). Staff mobility becomes more important to HEIs hailing from small island states. The introduction of GDPR in May 2018 is a case in point. The retention of data, such as details related to next of kin and the students parent education is a grey area, that was extensively debated in the UK and Maltese HEIs had to learn from established practices to follow suit. Participants mentioned the excessive workload that hinders mobility of administrative staff (UMST04).

Table 9.20 however shows the limited number of staff that went for an Erasmus abroad, just 4.7% in Academic Year 2018/19 out of the total staff population at UM. This is a marginal increase of 2% when compared to Academic Year 2015/16. The same experience was registered at MCAST with numbers that are comparable to those at UM. This indicator reveals the efforts that should be made in order to increase funds and interest in staff exchanges.

9.1.4.4 Programme Design and Delivery: moving towards work-based learning

Another important dimension in the sharing of knowledge is programme design. Programme design has featured in other thematic areas especially with respect to national and societal impact. The strong link between programme design and the economic exigencies of a country, specifically with respect to employment, cultural heritage and national identity, was a major highlight in the institutional strategic exercises.

Despite the set-up of regulatory and management support units to assist regulatory bodies and academic units in focusing their strategic efforts, there is lack of available data at both MCAST and UM in order to gauge how successful institutions are in programme delivery (UMST01). Lack of evidence-based management is of concern especially when considering that student numbers at both public institutions are not guaranteed due to the rise of the private market (UMSN02), as depicted in Chapter 3. The more courses are being offered, the greater the spread of students across a continuum of courses (UMSN04). The resulting undesirable effect is that international competition is shifting students from one department to another. The sporadic number of students is also creating a problem of sustainability for small Institutes and Departments.

Programme delivery is to take stock of societal changes and of the changing lifestyles (UMST01). The responsiveness to societal and national needs is being hindered by the lack of courses on a part-time basis in academic domains that include Engineering and ICT. It is difficult to comprehend why a large public HEI such as UM does not offer such an opportunity to potential students with the risk of losing these students to private HEIs (UMST05).

The direct link between teaching-learning-research relevance to industry is embraced through work-based learning. In the MCAST strategy meeting for external stakeholders the Minister for Education insisted that ‘work-based learning is to be ingrained in HEIs (MCST03). Education that is not realistic is weak and outdated. ‘The best education is the one that is contaminated with reality and which prepares students to the real world’ (MCST03). Work-based learning provides an added value to the programme given that it is oriented more towards the needs of the industry.

The question is how challenging is governing and managing work-based learning. At a purely strategic level, MCAST is emphasising this notion much more from UM, given that it is a vocationally-oriented institution. An Apprenticeship Act was formulated for the entire vocational sector that if implemented effectively, can influence UM not just MCAST. The accredited practical experience is also being gradually introduced at UM in several courses.

From a quality assurance perspective, the inclusion of academics with an industry background is not to be limited to supervisors but also to examiners although both the supervisory team and the board of examiners is to have a balance of academic expertise and industry experience. From a programme point-of-view work-based learning requires a healthy mix of academics and industry practitioners. MCAST introduced a model where students have the opportunity to do their fieldwork or practice continuously throughout their entire course. This is the case with Agriculture, Maritime, Engineering and Hairdressing students. UM’s courses are still excessively academically oriented but courses hailing from Medicine and Health Sciences have the same model adopted by MCAST.

The absence of indicators to measure the institutional impact on industries and vice-versa is rendering institutions into a blind horse. Too much focus is directed towards teaching when it comes to metrics. Therefore, TAEs may be a governing tool that is counter-productive and a constraining factor (UMST01). Furthermore, there seems to be a lack of clear vision and mission of where public HEIs want to direct their respective energies. At a purely operational level, clear guidelines are

essential to building effective and lasting collaborations with the industry, based on good past practices (UMST01).

The major management inhibitor revolves around how the responsibilities of the marketing initiatives are going to be disseminated amongst staff. Central-local tensions could be sensed in finding a balance between allowing faculty flexibility in designing their respective marketing strategies and seeking central professional help to ensure effectiveness and institutional conformity in the adopted marketing strategy. A one-size fits all infrastructure does not work in a large University such as UM. It may on the other hand, be enough for a smaller and more centralised college such as MCAST. In the case of UM, the particularities and specificities of the faculties have to be a major variable in any governing plan (UMST01). Despite the institutional sub-cultures, the key for success is effective inter-faculty collaboration (UMST02). This vision may seem contradictory, but it represents more the realities of today's complex and laborious governing arrangements.

9.2 Conclusion

Chapters 8 and 9 present the underlying concepts of this research: first, the comprehensiveness of the dynamic spheres model.. Second, this chapter cited a number of practical examples that exhibited management-related peculiarities that are most often ignored in the existing literature but which have an influence on academic performance. The devil is in the detail and therefore the governing and management peculiarities are crucial to achieve the indicators set by institutions. Third, the distinctiveness of the contextual strategic spheres and of the institutional personalities bring out the totality of a multi-governing arrangement. The distinctiveness brings about complementarity of the seven strategic spheres in a way that is complex to comprehend in just one diagram.

CHAPTER 10

CONCLUSION: ANALYSIS AND RECOMMENDATIONS

10.1 The major research questions, the major divisions of the thesis and the key features of the research design

10.1.1 The major research questions

The idea of starting my Ph.D. research was prompted six years ago after being involved in both academia and management for more than twelve years as part of my professional career. The preliminary and overarching issue was seeing how much governance and management are undervalued. Governing bodies are not given the required attention just as the managerial engine is most often put in the side lines. This is a concern in all policy areas not least in higher education. The more complex institutions are becoming, the greater the need to think about governance in conjunction with management. This thought was the starting point to begin researching this subject.

Resultantly, the main research question that the thesis has investigated, as outlined in the introductory chapter is: what are the effects of governance and management on the performance of Higher Education Institutions (HEIs)?

To investigate the primary research question, a comprehensive set of secondary questions was outlined. These questions were classified into five main categories:

Category 1: the HEI sector - In this first category, the thesis researches the main contextual contributors that have helped to shape Malta's higher education sector while investigating ways that governance and management are interrelated, distinct or **complementary**.

Category 2: the notion of performance – In the second category of secondary research questions, a compendium of governing and managerial factors that dynamically enable or inhibit public HEIs to achieve performance targets are analysed with a view to assessing the extent that a KPIs framework

could measure national and institutional higher education attainment. The aim is to expose both the strengths and limitations of having indicators in the quest for enhanced institutional performance.

Category 3: the state-institutional relationship – The third set of research questions focuses on the state-institutional relationship in the perspective of the strong hold that Malta's government has on the two public HEIs studied namely: UM and MCAST. The thesis questions the role of the state in the contemporary world and how it has changed. The gradual increase in the influence exerted by key external stakeholders that are not part of the state apparatus is also questioned.

Category 4: Intra and inter-institutional elements – The fourth category of secondary questions concentrate on the manner in which institutions reengineered themselves to adapt to the changing context. Questions arise on how the governing and management arrangements were revisited to respond to the robust changing international and national environment.

Category 5: consequences of performance-oriented governance – The fifth category of research questions are centred on performance, how this notion influence: first, the flexibility and creativity of public HEIs to develop and share knowledge and second, the dynamics that exist between public HEIs and national governments to design higher education strategies with the ultimate aim of being performance-driven.

10.1.2 The major divisions of the thesis

To answer this comprehensive list of research questions, the was structured into four substantial units:

Unit A comprises Chapters 1 and 2, the Introduction and Research Methodology. This unit deals with the **objectives, parameters and methods** of the study. At this stage, a literature review was conducted to determine the research questions and the thesis map.

Unit B comprises Chapters 3, 4 and 5. This unit deals with the **context** for higher education governance and management, beginning with the institutional adaptiveness to the evolving environment education (Chapter 3), proceeding to the state-institutional relationship (Chapter 4) and concluding with a detailed analysis of the institutions themselves (Chapter 5). Notwithstanding the

fact that they are largely based on secondary sources, primary data derived from the attended observation sessions was marshalled with secondary data to present an original image of the context of higher education institutions.

Unit C deals with **strategy** and **performance**, and comprises two pairs of chapters: Chapter 6 and Chapter 7 focus on the meaning of the two concepts, the measurement of performance and the strategic planning process and; Chapter 8 and Chapter 9 investigate in depth the performance of the University and MCAST, as well as the challenges that arise in making strategic choices and measuring performance. These four chapters are largely built from original data that was gathered during the observation sessions but, as it is the case with Unit B, secondary data is extensively used to substantiate further the analysis. At the heart of Chapters 8 and 9 a dynamic spheres model was developed to explain the laborious institutional dynamics.

Unit D comprises a single concluding chapter 10 that embodies the **findings** and **conclusions**.

10.1.3 The key features of the research design

The key features of the research design, that are explained in detail in Chapter 2, was based on an extensive literature review, document analysis, the gathering of unpublished national and institutional data and observation sessions. The literature review was not limited to just one chapter. The conclusions derived from both the primary data and secondary sources were constantly analysed and compared with the existing literature to build a more vivid and robust narrative. A series of national and institutional reports were thoroughly reviewed including the proposed institutional acts. Such a mixed methodology approach helped substantially to dissect a complex situation but at the same to portray a comprehensive study of Malta's higher education from an institutional governance and management perspective.

10.2 The findings of this thesis

The essential finding of the thesis is that higher education governance and management cannot be taken as separate facets and they are dynamically intertwined. The relationship between governance and management, the manner in which the governing bodies function in tandem with management

and their respective responsibility to determine university strategy was highlighted by Shattock (2002). This thesis emphasises the details of how governance and management influence the institutional and ultimately national performance. The continuum of practical examples that were elicited from the observation sessions intertwine governance and management and connect the dynamic interaction with contextual change, strategy and performance.

Performance is analysed throughout all chapters. Chapter 3 introduces the notion of institutional performance in relation to contextual change brought about by massification and globalisation. Chapter 4 assesses performance vis-à-vis the institutional relationship with the state and the key external stakeholders. A chronological analysis across the years is conducted to determine the manner in which an evolutionary shift from a state-institutional relationship resulted into what is called a dynamic multi-level agency model. This chapter presents a detailed overview of the role of the state in providing higher education. The analysis incorporated a review of institutional governance, management and performance and embraced issues of autonomy and academic freedom. Chapter 5 analyses the changes in the governance and management arrangements and the subsequent influence on performance. The analysis incorporates the extent or otherwise that the changing governing bodies, academic units, regulatory units and management support units have helped institutions to achieve a better performance. In this chapter tensions are analysed as a result of such governing and management changes not only between the institutional arrangements but also in the relationship between academics and management. Chapter 6 focuses on a holistic list of institutional performance indicators that are related to human resources, finance and students.

Chapter 7 presents a comprehensive discussion of the enablers and inhibitors that influence HEIs to achieve the strategic objectives and the subsequent performance targets. The assessment is conducted within the context of public higher education in a small island state by delineating the challenges that exist in such a scenario. This chapter introduces the notion of the boomerang affect, how the same governing arrangement could serve as a both enabler and an inhibitor towards performance. Chapters 8 and 9 analyse performance with a lens of attaining the institutional indicators within a national higher education perspective and the adaptation to the external environment. Both chapters introduce the dynamic spheres model and revealed how the intra and inter-institutional elements, when working dynamically, have an influence on the institutional and on national performance. A detailed review is conducted to study how the peculiarities of governance and management have an

influence on achieving performance at an institutional and national level. Both chapters analyse the idea of institutional governance with regard to strategy, as role models in national policy-making and how institutional design, institutional processes and several management tools have an influence on achieving the intended performance indicators. Chapters 7, 8 and 9 exposes both the strengths and limitations of adopting performance indicators.

10.3 Conclusions: insights from the findings

10.3.1 The characteristics of a complex, turbulent context for higher education

While researching, the major observation was always that HEIs are viewed as intellectual towers and therefore their primary focus is academia as well as the development and sharing of intellectual knowledge. However, the contextual issues that were extensively analysed in Chapter 3 and in Chapters 8 and 9 were constantly identified as major causes for transforming HEIs into an academic organisation that welcomes a hybrid of academic and a business-like enterprise model.

What has been evident in the course of this research is that globalisation and massification were not the only main triggers for institutional transformation. The constantly changing external environment has rendered public HEIs as a tool to help governments to respond to the evolving national circumstances, in what can be called the institutional adaptation to changing societal needs.

Notwithstanding this evolving role, HEIs have not turned themselves into 'government tools' or 'large businesses'. Institutions started to have a dual role both with the 'social obligations' of public HEIs, and in the 'core business' of discovering, building and sharing knowledge. The two are complementary dimensions of a single mission. In both cases, a philosophical understanding of higher education institutions and an ideology regarding higher education policy come into play. While the classical philosophical understanding of academia is more important in shaping the social obligations of HEIs which is wider than merely corporate social responsibility, the powerful ideology of neo-liberalism drives government policies towards the core business of HEIs and, inevitably, influences the strategies and attitudes adopted by the governance and management arrangements, hence the attentive given to KPIs, rankings and other measures of performance.

Resultantly, HEIs grew as laborious, meticulous and highly complex institutions to a point that one of their major challenges is to take stock of a labyrinth of bodies, units, committees and *ad hoc* entities including the corresponding administrative processes, a subject that was analysed in Chapter 5. What has evolved internationally and through the nation states producing a ripple effect within institutions. A two-way multi-level process evolved: the international scene, the state and the society influenced HEIs and in return HEIs influenced what happens outside their confined territory.

As the research started to progress, the intertwining of governance and management became a fundamental notion. The narrative of the thesis became evidently clear that complex phenomena can never be answered through segregated bodies or processes and without giving the due weight to management. Frequently asked questions at HEIs are: Which body governs this process? Which regulation or guideline answers my particular case or situation? Who is the person to help me out with my query? To answer these questions governance and management have to work constantly in tandem.

10.3.2 The effects of an evolving context on higher education policy and state/institutional/stakeholder relations

Context and the subsequent institutional adaptation to the state and societal exigencies is a key element. The continuously evolving contextual environment has highlighted the problematic and challenging relations between higher education and politics, the economy as well as the socio-political relations and pedagogical practices. The sophisticated networking relationship with external stakeholders involves a dynamic connection of locus of power and authority both from outside and within the institutions, in a manner of hierarchies of power and privileges. This constant interlink with the world outside highlights the dynamicity of the spheres model for policy-makers, introduced in Chapters 8 and 9.

Horizontally, governance cannot be analysed without assessing the strategic direction and the subsequent management implementation paths used to achieve performance targets. Four main facets that were reviewed are strategy, governance, management and performance in an evolving context, all facets work in tandem all the time. In simple terms, as a practical example, the union model reveals how the attainment of national targets such as stronger social mobility and the

promotion of cultural heritage in tourism can be triggered from inter and intra-collaborative governance and the management of academic programmes within public HEIs. Therefore, what can be perceived as minor institutional governing and managerial actions can have a multiplying national ripple effect. This influence is more significant in the case of public HEIs that have a very large market share when combined together and are operating in the context of a small island state.

Vertically, a governing approach was adopted given that institutional governance cannot function without considering national and international governing approaches. Therefore, governance starts ‘at home’ within the institutions themselves but the way a national governing system is designed influences immensely how institutions operate and to what extent the institutional permeability is allowed. This approach was reinforced in the development of a multi-level agency model in Chapter 4 that shows the transition from government to governance and the move away from a purely state-institutional framework. The involvement of a multitude of stakeholders presents the advantage of ensuring effective representation in a shared governing model but it defines the challenges of including so many players at the heart of the institutional governance and management.

The dynamic multi-level governance model shows that gone are the days when institutions simply deal exclusively with the state to govern and manage. Public institutions developed a laborious networking relationship with a multitude of stakeholders that ultimately reflects the process of transition that Malta is going through. Malta’s public HEIs are still significantly dependant on the state especially from a financial perspective and are also too close in their relationship with the Ministry responsible for education. It is a syndrome of a small state context, a matter analysed in Chapter 7. Nevertheless, public HEIs have experienced a pivotal shift from a state-institutional relationship to a multi-level governance model. This scenario is complicating the manner in which institutions operate and how they relate with the key players when taking decisions and craft their strategies. This thesis exposes this network both within the confinement of the state’s territory as well as the international sphere and shows how formal and informal networks became ingrained within the *modus operandi* of institutions.

The effects of the evolving context are not only reflected in complexity and unforeseen circumstances, a set of tensions are influencing higher education policy as well as institutional relations. This is a subject that has been studied by other scholars and the biggest challenge is to

construct a comprehensive array of all the existing tensions that are ultimately useful for strategic governance. These tensions could indeed be represented in the form of points of a compass, as a guide for policy-makers, for HEI governing bodies and for institutional leaders. The choices that are made not only have consequences for the institutions' performance, but they will also affect the qualities and competences sought in leaders and academics.

A study conducted for OECD by Larsen, Maasen and Stenstaker (2009) concentrated on four basic dilemmas in University Governance: representative democracy vs organisational effectiveness, integrated vs dual management structures, external vs internal influence on institutional decision-making, centralisation vs decentralisation. The dual management structures approach brings into light the tensions that exist between academia and management, an issue that is also emphasised by Altbach (2016) who expresses concern with regard to academic freedom and Shattock (2003) who has underscored the importance on how the concept of shared governance could be achieved by having both the corporate and the academic side realising their respective contribution in the totality of the institutional machinery. The tensions between the central local relations were extensively studied by Bowen and Tobin (2015). This thesis builds on the existing literature by discussing a set of extensively observed tensions that include the following: turbulence vs stability; change vs continuity; innovation vs adaptation; flexibility vs rigidity; excellence vs competitiveness; planning vs unforeseen circumstances; silo mentality vs inter-operability; academic collegiality vs managerial leadership; central vs local relations and 'soft indicators' vs KPIs. These tensions, which were specifically reviewed in Chapter 7 in the discussion concerning strategic governance and applied throughout the thesis, also point towards studying governance and management comprehensively within a context of a rapidly changing scenario.

This institutional re-dimension, a mirror of the institutional adaptation to the highly complex evolving external environment has five higher education policy results: first, higher education institutions are to work in tandem with a multitude of stakeholders, including state's institutions, to build and develop strategies; second, this scenario entails that higher education policy-makers, governors and managers need to understand the larger contextual realities and social formations as well as the institutional bureaucratic foundations when they are in the driving seat; third, despite the difficulties of the unforeseen circumstances, time has come for universities to explore new ways to cope with future evolving scenarios and to work more on contingency plans that are dictated by the

forthcoming circumstances; fourth, higher education policies need to take into consideration a continuum of other policies in various areas: the economy, the education sector in its entirety, the social dimension, the labour market, the national digitalisation policies, the environment and all other aspects of public policy that are influenced by higher education or impinge on higher education policy; fifth; the realisation that higher education policy has to cater for distinctive higher education institutional acts as it is the case with UM and MCAST in Malta's public higher education reality.

10.3.3 The implications of the context on the role (or mission) of public HEIs, on institutional development, and on performance

The reality that HEIs are producing and subsequently reproducing what societies are after poses the question of whether universities are becoming an anxiety machine in order to deal with this constantly changing environment, especially with unforeseen circumstances. Institutions are at times struggling to dictate their own agenda, are inundated and have to constantly react to what is happening out there. The major reflection that was evident throughout the observation sessions was that the institutional arrangements are too alienated with the voluminous and complexity of their respective agenda. The agenda in all sessions at Senate, Council and Board of Governors meetings was repetitive and boring, it simply lacked the strategic focus and freshness expected at these high-level meetings.

The resulting weakness is that the institutional arrangements are losing sight of their *raison d'être*. HEIs are at times forgetting the reason why they exist, and this is a dangerous route when it comes to plotting and putting together the institutional jigsaw puzzle in a manner that makes sense nationally and internationally. Rowland's (2013) study corroborates this notion by discovering that academic boards at Historydale and Middleton Universities implemented just 62.5% and 47.5% of their respective terms of reference. The focus was purely on the board's terms of reference and not on the higher strategic responsibilities that public HEIs have. The lack of focus on the bigger institutional and national picture has resulted in two major pitfalls that have a multi-level dimension.

The first pitfall shows the lack of national cohesiveness of delineating the distinctive roles of both institutions. In 2015, MCAST embarked on creating three major colleges that introduced the idea of

having a University College. This idea was later dismantled but all signs show that MCAST is moving towards a more hybrid style of academic-vocational college. The proposed MCAST Act with a governing approach based on a Rectorship model as well as the increasing number of academic courses reveals this strategic direction. The major dilemma here is whether such a lack of coordination between the two institutions is a case of inter-competition and waste of precious resources that could be dedicated to research and innovation that is low in Malta in terms of GDP expenditure, when compared to its European counterparts.

The second pitfall concerns the lack of strategic clarity of where the institutions want to project their strategic vision internationally. When it comes to the international sphere, the University of Malta has lost the opportunity to embark on a vision and mission to become the ‘University of the Mediterranean’ which is ultimately an achievable objective, both in academic and management perspectives, than trying to tap the global market and scatter its limited resources all over the world.

The major causes and triggers of this blurred fragmented scenario are two: first, the lack of permeability between the two major public institutions: UM and MCAST. This is the result of the absence of a national governing body that can ensure a solid bridge between two public institutions that have around 75% of the total public and private market share, a recommendation articulated in Chapter 4 of his thesis. Second, it is the ramification of lack of effective coordinative mechanisms between the two institutions in both their strategic agenda and the day-to-day communicative efforts. A joint UM and MCAST commission that is steered by the Pro-Rectors and Principal would ease such a difficulty. The joint commission is just a bridge between the two largest institutions in Malta. A national higher education advisory board at a purely governing level and a Ministry dedicated for Higher Education at a political level would ease the lack of coordination that exists.

10.3.4 The implications for governance and management of public HEIs.

The evolving contextual scenario highlights the institutionalising of market principles in the governance of HEIs as well as the deployment of managerialism in public HEIs, a point highlighted by Lynch (2014). Echoing Giroux’s (2014) perspective, universities have therefore become a terrain of governing struggle but on the other hand a fertile land for possibilities and opportunities.

The subject of higher education governance has been given an increased attention in a global world where the concepts of the balance of powers and institutional checks and balances have become a priority on the international agenda especially in Europe. What this thesis focuses on is the intertwining of governance and management in all higher education aspects, stemming from the analysis of the context and proceeding to strategy design and implementation. The main proposition that was researched was that governance can never be isolated from management and both spheres are to be analysed in parallel all the time. In essence, context provided a fundamental and essential feature of this Ph.D. thesis: that is the comprehensiveness and totality of the subject matter.

The focus of the institutional adaptation to the societal exigencies has highlighted the need to assess what has happened to the institutional arrangements and the management engine room. Institutions are in a constant struggle to develop the necessary institutional capacity and intelligence to reinvent themselves and to cope with rapidly changing context. The unearthing of how arrangements are scattered within institutions and the labyrinth of institutional bodies are the result of a process of transition and adaptiveness to the societal transformation that is happening out there. Chapter 5 evaluated the transformation that has happened to the governing bodies, academic units and management support units. In that chapter, a comparison was accomplished between UM and MCAST and showed how institutions react somewhat differently, although there are similarities in the manner they reacted to the external environment, a matter underlined by Shattock (2017).

The high-level governing arrangements indicated this distinctiveness. UM's bicameral model of governing bodies constitutes Council and Senate. While Senate, which deals with academic affairs, is very well aided by its sub-committees; mainly the Students' Requests Committee, Doctoral Academic Committee, Programme Validation Committee, the University Research and Ethics Committee and the Assessment Disciplinary Board, the University Council is not as strongly interlinked with its sub-committees, except for human resources and financial issues that are orderly reported and scrutinised at this highest level. There are no governing committees to assist the Council in, for example, project funding, internationalisation, public relations, synergies with other higher educational institutions. MCAST's unicameral model in the form of the Board of Governors is too much dominated by the leadership personality of the officials leading the college and of the members that constitute the governing board. The democratic scrutiny in the form of sub-committees that would report to the Board of Governors is absent. This practice is dangerous in terms of effective checks

and balances, academic collegiality, in applying the principle of shared governance because it depends entirely on the wisdom expressed by the invited leaders at the governing board.

The manner in which the governing bodies and units are arranged is not the only issue. The million-dollar question is what should be the ideal size of governing bodies. Rowland's (2017) study of 36 academic boards in Australia reveals that the large majority of the boards (16) have between 30 to 50 members which is the size of UM's Council and Senate. Only 7 academic boards had less than 30 members which is similar to MCAST's Board of Governors. 4 boards had more than 100 members and 9 boards between 51 to 100 members. At the attended observation sessions, it was clearly evident that while Senate and Council allows a more vivid and elaborate discussion than MCAST's Board of Governors, decisions are taken at a slower pace.

Governing bodies and academic units are aided by crucial regulatory and management support units that have evolved as part of the institutional transition as a response to the outside world, which units are not even mentioned in the current and proposed acts. This transition to a corporate governance model is also reflected in a Rectorate's team that constitutes the Rector and the Pro-Rectors, a model that is now being emulated by MCAST.

In addition to the nature, role and size of the body or unit, membership is also crucial to study the dynamics of HEI boards and committees. Both UM Council and MCAST's Board of Governors are composed of a majority of government members, reflecting international practice. Research shows that the role of lay members in strategic governance is crucial and institutions cannot underestimate their vital presence. In a reality where more than eighty percent of the institutional budget is provided by the central government, it is essential that lay members ensure that the institutional operations reflect value for money spent by the taxpayers' money. Nevertheless, careful consideration is to be taken on two fronts: first, that the conditions arising from a small island state does not weaken the advantages of lay members being involved in institutional governance. The system of nominating lay members is to be looked into in order to adopt a professional approach, as it is the practice elsewhere. A spoils system carries the risk of undermining the benefits arising from appointing lay members with specific expertise. Furthermore, lay members are to be provided with proper guidance and training if Malta's public HEIs want to benefit more from their expertise. Second, there should not be a disproportionate balance in favour of either internal or external membership, as it is the case of

MCAST. The model adopted by UM, that of 51% external membership, which mirrors what happens in foreign universities, provides a balanced approach. This argument points towards the effectiveness of the institutional arrangements.

All chapters revealed the significance of analysing governance in parallel with management, but Chapter 6 is an attempt to portray a comprehensive suite of management targets that HEIs should consider: human resources management and development, financial management, knowledge management and as much important is the management of the student and alumni resource. This chapter provides an insight on how broad higher education management indicators may be explored in one study. It provides a barometer of the attention that human resources require to manage institutions by applying various tools: designing training programmes for both administrative and academic staff, applying performance-related pay as well as retaining and internationalise staff. In financial and research management, Malta's HEIs need to take immediate action to steer away from the excessive central government reliance and to promote with much more determination the research fabric of their institution for the benefit of the whole country.

The underlying argument that came out from that chapter is that students are not to be valued only as the institutional clients or at times as a way to ensure that the necessary checks and balances are in place, an essential feature of good governance. Students are a precious resource that institutions need to use to the maximum since it costs little and has a multiplying value. Students are to be an active part of institutional governance as is the case at UM when it comes to Senate and Council. In contrast, student involvement is lacking in MCASTs Board of Governance. More than just participation in institutional governance students, are to be actively involved in the institutional management not only to have their voice heard but because it pays for institutions to have this valuable resource on board. The challenge is to deal with the multitude of student societies and embrace the diverse groups in an already complex governing and management institutional arrangement.

Chapters 7, 8 and 9 consolidated the view that governance has to be continuously analysed with management by applying a set of enablers and inhibitors in a manner that the same variable can act as both in different circumstances. The notion of the 'boomerang affect' was developed to explain this phenomenon. This means, for example, that structures and data can help institutions but can

inversely influence the attainment of performance targets. The boomerang affect can also be noticed when developing regulations and quality assurance procedures that are perceived as ‘illegitimate’ and ‘adverse’ to academic freedom rather than helping institutions to govern and manage better.

Covid-19 crisis has exposed the unprecedented managerial and technological revolution that institutions are going through, which revolution is not necessarily being driven by a crafty strategy or by choice. Institutions had to take drastic measures to survive in a highly competitive market and to not close for a relatively substantial period of time. Public institutions have a duty to continue to operate and to offer a service to the country. To continue to exist, Malta’s public HEIs changed their mode of teaching delivery and the manner in which assessment is conducted. It was a trying period for institutions such as UM that has existed for hundreds of years and that has never before been in such a situation. This was a learning experience for HEIs, and more is expected now to ensure that they plan better and be in a proactive rather than a reactive mode.

An area that could be revolutionised through the use of information technology is business intelligence. The use of available software as well as the set-up of a management support unit in the form of a business intelligence office helps the retrieval and the analysis of data that both institutions are in dire need of in order to set and evaluate their indicators. The current situation is certainly not ideal and needs to be revisited. Both UM’s and MCAST’s retrieval of data is done by only one member of staff, in the former through a SIMS Officer and in the latter through the Registrar. If institutions are not adequately equipped to manage their data, how will they be prepared to handle a KPIs framework in future? Both institutions need to master and present their data better not only for reporting and audit purposes but also to aid faculty governance, examining boards, research projects, strategic plans and the decisions that higher education governing boards are expected to take when it comes to admissions, progression, retention of students and graduates. The use of secondary data was the biggest challenge for this thesis and exposed the difficulty that both public institutions are experiencing in this.

Data management is not the only aspect that IT could revolutionise. IT is changing business processes from their core and making them more student oriented. At the time of their application, students nowadays, are being given a virtual profile to view and manage their relationship with their respective institution. Blockchain is the next big educational transformation especially in the way

that Universities deal with applicants and other institutions. It can be the key towards greater efficiency to accept new students and a big revolution in the manner that students' resources are stored if the privacy issues haunting HEIs are resolved.

10.4 The limitations of this study and the contribution to knowledge

The main limitation of this study comes from its strength: it deals comprehensively with Malta's higher education in all aspects of governance and management from an umbrella perspective. More can be studied with respect to national higher education policies and their influence on policy frameworks. Future studies are to put a lens on the extent how an institutional measure can bring about national results, at times at greater intensity than larger states. This study introduced a comparative analysis amongst small states, specifically: Cyprus, Iceland and Luxembourg. It showed how in small states, institutional actions in areas of enrolment of students at tertiary level, graduate employability and the creation of programmes leaves a bold influence on national policy-making. This study also revealed the dominance of Universities in small states especially if they are operating in quasi-monopolistic conditions. Future studies can also delve into the specificities of internationalisation, community outreach and of course the post COVID-19 realities.

Despite these limitations, this thesis provides a holistic perspective that can be useful for policy-makers, academic and management leaders. The key is its totality in understanding how higher education works by applying so many different governing and management facets. The spheres model and the dynamic multi-agency model are two main contributors to knowledge.

Three other main dimensions that can be elicited as the study's contribution are: first, what it discloses about Malta's higher education sector and of its leading HEIs; second, what inferences may be drawn about public HEIs in small states seeking to carve out a niche in the high-tech, knowledge economy; and third, what inferences may be drawn about public HEIs that enjoy a commanding position in a country's education market and constitute that country's *de facto intelligentsia*.

10.4.1 Malta's higher education sector: main lessons elicited

Malta's higher education sector has experienced a transformation from post-Independence onwards. The transformation has been accelerated since Malta's EU accession. The number of policy

frameworks, the amount of institutions, both public and private, offering higher education courses and the stakeholders involved, has increased at an unprecedented level.

From a massification point of view, the introduction of a stipend and free higher education at an undergraduate level, the expansion of UM as from 1988 onwards, the set-up of a new vocational college in the form of MCAST at the turn of the new millennium has helped to accelerate the rate of growth of this sector until it reached its peak in the period 2010-2015. Globalisation has facilitated the opening of university branches representing foreign universities and the increasing trend of international students attending higher education courses. The participation of UM in ranking exercises has had a multi-governing affect and has helped more to put Malta's higher education on the global map. Despite the inclusion of quite a number of private institutions and the evident increase in the competition, the hold of the central government on higher education is still very strong. The market share enjoyed by the two public HEIs is also dominant. Therefore, Malta's higher education sector is far from being commercialised or owned by the private sector. Higher education is still very reliant on the resources injected centrally, a central theme that features constantly when it comes to the debate of institutional autonomy and academic freedom.

Despite this, the central government hold did not halt the evolving nature of both public HEIs from a governing and management point of view. Two extensive strategic processes have just been conducted at both UM and MCAST that embraced a multitude of stakeholders, a changing phenomenon in the pre and post EU accession. Both institutions have also embarked on individual institutional acts, a move that will continue to change the higher education dynamics. From a regulatory governance perspective, change was accelerated through the set-up of a regulatory national authority: NCFHE. NCFHE introduced a new game play inculcating the culture of responsibility and accountability through audits. NCFHE has also established some form of checks and balances on public HEIs especially on UM that has the power to accredit its own courses.

Notwithstanding the transformation in terms of both governance and management, Malta's HEIs still lack a KPIs framework. KPIs are used sporadically and broadly at a national level through the Ministry responsible for Education. The absence of KPIs reiterates the debate that not all performance facets can be measured; how can trust and networking, staff morale and central-local relations be measured? Counting the uncountable could lead to the syndrome of dedicating too much

focus and energy on indicators when in reality broad objectives could lead HEIs to better outcome. Indicators are a tool for institutions to be used with a list of other governing and management instruments to detect their performance. Governing bodies and management support units` evolution, participatory mechanisms, student and staff feedback and mechanisms to bridge with external stakeholders are amongst the other tools that require significant attention.

A surprising result in this thesis is that MCAST`s governing and management transformation is more cautious and traditional despite being a relatively much newer college than UM. This shows that age is not a determinant of the extent of institutional adaptation and focus on governance and management. MCAST`s lacuna in both management processes and the collection of data is by far more serious than UM`s.

As a general conclusion, Malta`s higher education lacks the necessary focus and impetus to drive research. Research is still a marginal, almost negligible component, of the national Gross Domestic Product (GDP). To make matters worse, research is driven by UM rather than being distributed across institutions. This situation points towards the importance of integrating better policy frameworks: higher education with research, employment and the economy. The lack of necessary funding in research shows that there is lack of appreciation on how research has a domino effect on other policy areas.

The absence of a National Higher Education Advisory Board and a Ministry dedicated to Higher Education is multiplying the fragmented approach in policy design and the lack of co-ordination necessary to have a unified approach in terms of governance and management. Both public HEIs under study, despite the *ad hoc* initiatives to work together, are still steering their respective institutions in a solitary way.

Teaching needs to be taken to next step as is happening globally: that of online teaching in a proper professional manner rather than instruction in front of a camera. If public HEIs want to attract more international students, this is the natural next step. In this way a problem emanated from a crisis can be turned into an opportunity not only to improve the quality of teaching but also to overcome the saturation point achieved in the number of students and attract more brains from foreign countries.

10.4.2 Inferences drawn about public HEIs in small states seeking to carve out a niche in the high-tech, knowledge-based economy

The developed spheres model has revealed the strong interlink between context, strategy, governance, management and performance. What has been exposed is that governing and management actions at an institutional level result in national outcomes in all aspects of policy stemming from economic growth, social mobility and sustainability.

Public HEIs carve a niche in the policy-making of a small state. As the only academic institution on the island UM is key to produce graduates for so many high-end disciplines that require sophisticated skills not only for the traditional professional careers. The island's blockchain and artificial intelligence drive that has dominated the political agenda in the last 4 years emulates the push towards the financial services sector that happened in the 1990s and towards the digital gaming sector that featured (emerged) 10 years ago. All these economic niches place responsibilities on public HEIs to respond to these new economic exigencies.

MCAST's role is similar in a parallel fashion. Malta's drive to expand the labour market and to increase the female participation rate by investing in free childcare has spurred MCAST to train more child carers and to invest in more professional courses in health care, aviation and maritime engineering. Some of MCAST's efforts, especially in health care and childcare, were joined by UM. This shows that in small states dominant public HEIs can join forces to produce a national result even in a relatively short period of time in this case it was a matter of not more than 2 years.

10.4.3 Inferences drawn about public HEIs that enjoy a commanding position in a country's education market and constitute that country's de facto intelligentsia

The role of public HEIs is not only evident in terms of economic outcomes but also in the country's sharing of knowledge and social mobility efforts. Both UM and MCAST helped to increase significantly the percentage of Maltese citizens who achieved tertiary level of education and who have subsequently moved up the social ladder.

What the thesis has exposed is a double-edged sword: on one hand the reliance of public HEIs on the central government and on the other hand the dominance of public institutions in small states. This reality poses a great responsibility on institutions to ensure that they deliver the necessary knowledge and innovation required in developed modern countries. However, this commanding position places HEIs in an advantageous situation, almost monopolistic, that is inversely proportionate to the notion of checks and balances and performance-based funding. Central governments end up paying a fixed amount of annual budget irrespective of the institutional performance. State's institutions, the Ombudsman and the National Audit Office, have to be much more patient in having their respective recommendations implemented as there are no other alternative public HEIs that can fill the void in small island states.

The inferences originating from this thesis show that Malta's higher education governance and management has achieved important strides, but it still has a long way to go. It is a long road, a marathon, and while it is crucial that enough energy is restored to continue running this marathon, enough pace needs to be achieved to keep up with the rapidly changing environment. The engine has to be lubricated to work fast but the bolts and joints are to be prepared for a long endurance.

Final Note:

This Ph.D. research was published locally and internationally. As a result, parts of some of the chapters are cited in the following papers:

Sułkowski, L., Przytuła, S., Borg, C. & Kulikowski, K. (2020). *'Performance Appraisal in Universities – Assessing the Tension in Public Service Motivation (PSM)*, Education Sciences 10 (7), 174.

Borg, C. (2019). *The Role of Students in the Governance of Public Higher Education: a Case Study of Malta*, Journal of Intercultural Management, Vol. 11, No. 3, Sciendo, Społeczna Akademia Nauk, University of Social Sciences, Krakow: Poland in collaboration with Clarke University, Dubuque, Iowa: United States.

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APPENDICES

Appendix I – List of Tables extracted from Reports

Table 1: Performance actions outlined in Malta’s Higher Education Strategy

Specific performance actions	Proposed Measures to achieve the indicators
1. Increasing participation and attainment in education	1.1 Ensure strong support, sufficient and sustainable funding 1.2 Strengthen student-centred learning 1.3 Strengthen career-education services 1.4 Further develop the validation of informal and non-formal learning 1.5 Ensure that programmes allow for adequate balance of work, study and family life 1.6 Promote the development of e-learning 1.7 Increase information on available programmes 1.8 Sustain regular data collection on participation, attainment and the social dimension 1.9 Improve participation of students with special needs 1.10 Improve the permeability between different educational pathways
2. Reducing gender differences in higher	2.1 Research on gender differences

education	<p>2.2 Improve career education</p> <p>2.3 Incentivise females to take up careers in STEM-related Subjects</p>
3. Increase the participation of underrepresented in higher education	3.1 Undertake projects and initiatives aimed at increasing aspirations and participation of underrepresented groups
4. Increase the relevance of higher education individual and the labour market	<p>4.1 Ensure relevance of education to the labour market</p> <p>4.2 Provide more opportunity for work placements</p> <p>4.3 Promote lifelong learning alongside employment</p> <p>4.4 Undertake graduate employability research</p> <p>4.5 Undertake research on skills supply and demand</p>
5. Encouraging innovative content and programme design	<p>5.1 Provide information on transparency tools and measures innovative content and programme design</p> <p>5.2 Monitor the implementation of transparency tools arising from the Bologna Process</p> <p>5.3 Fund innovative funding programmes and curriculum Design</p>

Author: Colin Borg (2020)

Table 2: Performance actions outlined in Malta’s Higher Education Strategy

Specific performance actions	Proposed Measures to achieve the indicators
1. Increasing participation and attainment in education	1.1 Ensure strong support, sufficient and sustainable funding 1.2 Strengthen student-centred learning 1.3 Strengthen career-education services 1.4 Further develop the validation of informal and non-formal learning 1.5 Ensure that programmes allow for adequate balance of work, study and family life 1.6 Promote the development of e-learning 1.7 Increase information on available programmes 1.8 Sustain regular data collection on participation, attainment and the social dimension 1.9 Improve participation of students with special needs 1.10 Improve the permeability between different educational pathways
2. Reducing gender differences in higher Education	2.1 Research on gender differences 2.2 Improve career education 2.3 Incentivise females to take up careers in STEM-related subjects
3. Increase the participation of underrepresented in higher education	3.1 Undertake projects and initiatives aimed at increasing aspirations and participation of underrepresented groups

<p>4. Increase the relevance of higher education individual and the labour market</p>	<p>4.1 Ensure relevance of education to the labour market 4.2 Provide more opportunity for work placements 4.3 Promote lifelong learning alongside employment 4.4 Undertake graduate employability research 4.5 Undertake research on skills supply and demand</p>
<p>5. Encouraging innovative content and programme design</p>	<p>5.1 Provide information on transparency tools and measures innovative content and programme design 5.2 Monitor the implementation of transparency tools arising from the Bologna Process 5.3 Fund innovative funding programmes and curriculum design</p>

Author: Colin Borg (2020)

Appendix II - List of Observation Sessions

Observer

Date	Event	Organised By	Venue	Duration	Code
18 January 2016	Consultation meeting for academic staff re new Rector	OPM	Msida, Malta	2 hours	OPMR01
28 January 2016	Consultation meeting for administrative staff re new Rector	OPM	Msida, Malta	2 hours	OPMR02
27 September 2017	<i>Ad hoc</i> University of Malta Senate meeting	UM	Msida, Malta	4 hours	UMSN01
15 October 2018	University of Malta Strategic Development Forum – Senate & Council Sub-Committees	UM	Valletta, Malta	5 hours	UMST01
17 October 2018	University of Malta Strategic Development Forum - Faculties	UM	Valletta, Malta	5 hours	UMST02
25 October 2018	University of Malta Senate meeting	UM	Msida, Malta	5 hours	UMSN02

5 November 2018	University of Malta Strategic Development Forum – Faculties (Part II)	UM	Valletta, Malta	5 hours	UMST03
29 November 2018	MCAST Board of Governors	MCAST	Paola, Malta	4 hours	MCBG01
30 November 2018	University of Malta Strategic Development Forum – Administrative Staff	UM	Valletta, Malta	5 hours	UMST04
30 November 2018	University of Malta Council meeting	UM	Msida, Malta	3 hours	UMCN01
24 January 2019	University of Malta Senate meeting	UM	Msida, Malta	4 hours	UMSN03
31 January 2019	University of Malta Strategic Development Forum – External Stakeholders	UM	Valletta, Malta	5 hours	UMST05
31 January 2019	MCAST Board of Governors	MCAST	Paola, Malta	4 hours	MCBG02
8 February 2019	MCAST Strategy Meeting with Students` Representatives	MCAST	Paola, Malta	1 hour	MCST01
8 February 2019	MCAST Strategy Meeting with Lecturers	MCAST	Paola, Malta	1 hour	MCST02
13 February 2019	MCAST Social Responsibility Launch	MCAST	Paola, Malta	2 hours	MCSR01
15 February 2019	University of Malta Council meeting	UM	Msida, Malta	4 hours	UMCN02

7 March 2019	MCAST Strategy Meeting with External Stakeholders	MCAST	Explora, Kalkara, Malta	2 hours	MCST03
21 March 2019	University of Malta Senate meeting	UM	Msida, Malta	4 hours	UMSN04
9 May 2019	University of Malta Senate meeting	UM	Msida, Malta	4 hours	UMSN05
24 May 2019	University of Malta Council meeting	UM	Msida, Malta	4 hours	UMCN03
13 June 2019	University of Malta Senate meeting	UM	Msida, Malta	4 hours	UMSN06
12 July 2019	University of Malta Council meeting	UM	Msida, Malta	4 hours	UMCN04
16 July 2019	MCAST Board of Governors	MCAST	Paola, Malta	3 hours	MCBG03

Participant Observer

Date	Event	Organised By	Venue	Duration	Code
15, 16 June 2017	European Universities Association – Annual Meeting	EUA	Tallin, Estonia	8 hours + 8 hours 16 hours	EUAD01
18,19 January 2018	European Universities Association – Council for Doctoral Education: Thematic Workshop	EUA	Valletta, Malta	8 hours + 8 hours 16 hours	EUAD02
19 October 2018	Orientation Day for Academic Staff	UM	Valletta, Malta	6 hours	UMOA01
23 November 2018	40 th Anniversary of the Department of Public Policy: The Challenges for Democratic Governance in a Digital Age	UM	Valletta, Malta	6 hours	UMPP01
27 March 2019	University of Malta Advisory Board meeting	UM	Msida, Malta	3 hours	UMAB01
30 April 2019	University of Malta Rectorate Strategy meeting	UM	Valletta, Malta	4 hours	UMRS01
8 May 2019	University of Malta, Faculty for Social Wellbeing, Faculty Seminar	UM	Lija, Malta	4 hours	UMSW01

14 May 2019	University of Malta, MRER Lecture Series, Faculty of Education	UM	Msida, Malta	2 hours	UMED01
21 May 2019	University of Malta, meeting with external reviewers on the draft strategy	UM	Msida, Malta	5 hours	UMER01
11 & 12 June 2019	EU Commission Expert Group on Graduate Tracking	EU Commission	Brussels, Belgium	16 hours	EUGT01

Appendix III - List of Interviews

Position	Institution	Code
Director, Doctoral School	University of Malta	UMI1
Academic, Faculty of Arts	University of Malta	UMI2
Academic, Faculty of Education	University of Malta	UMI3
Director, Office for Human Resources Management and Development	University of Malta	UMI4
Academic, Faculty of Health Sciences	University of Malta	UMI5
Dean, Faculty of Science	University of Malta	UMI6
External member, Council & Advisor	University of Malta	UMCO1
External member, Council	University of Malta	UMCO2
External member, Board of Governors	MCAST	MCBOG1

Appendix IV - Open-ended questions asked to academic staff

1. What kind of evidence-based performance systems for scientific achievements are implemented and are actually used?
2. How efficient are these systems in accelerating the development of scientific and academic achievements in universities?
3. What kind of “best practices” could be identified in universities in area of performance systems for scientific and academic achievements?
4. What are the measures used or planned at the university to assess the development of employees' scientific specimen?
5. What are the sources of data used at the university concerning the scientific achievements of employees?
6. How are researchers recruited? How are scientific talents attracted to the university?
7. How is the specialisation of university employees growing? Is there a group of academic and didactic employees distinguished?
8. How is learning interlinked with scientific achievements? Does it pay for publications/ patents/special achievements? Can you cite examples?
9. What is the rotation level of researchers, if it exists?
10. What are the systems / methods / tools to motivate researchers? What is their effectiveness?

Appendix V - Questions to lay members on Institutional Governing Boards

1. How was your nomination process on the governing board? Can you describe it in few words?
2. Do you think that the nomination process could be changed?
3. Did you had some form of guidance on how institutions are governed and managed when you were nominated?
4. Do you agree with the view that the institutional governing board is to consist of external members as the majority of members?
5. In your experience, what is the contribution of external members with regards to strategy, governance and management of institutions? Can you elicit practical examples?
6. In what ways can external members help institutions to read the context: both local and international?
7. How can external members act as a check and balance on institutional governance? Do they ensure good governance or in contrast can be a threat to institutional autonomy?
8. How can external members act as a bridge between the central government, civil society and higher education institutions?
9. Do you have any more comments on the contribution of external members to institutional governance and management?

Appendix VI – Ethical and confidentiality documents

UNIVERSITY OF MALTA UNIVERSITY RESEARCH ETHICS COMMITTEE

Check list to be included with UREC Proposal Form

Please make sure to tick **ALL** the items. Incomplete forms will not be accepted

		YES	NOT APP.
1a.	Recruitment letter/ information sheet for subjects, in English	<input type="checkbox"/>	<input type="checkbox"/>
1b.	Recruitment letter/ information sheet for subjects , in Maltese	<input type="checkbox"/>	<input type="checkbox"/>
2a.	Consent form, in English, signed by supervisor, and including your contact details	<input type="checkbox"/>	<input type="checkbox"/>
2b.	Consent form, in Maltese, signed by supervisor and including your contact details	<input type="checkbox"/>	<input type="checkbox"/>
3a.	In the case of children or other vulnerable groups, consent forms for parents/ guardians, in English	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3b.	In the case of children or other vulnerable groups, consent forms for parents/ guardians, in Maltese	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4a.	Tests, questionnaires, interview or focus group questions, etc in English	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4b.	Tests, questionnaires, interview or focus group questions, etc in Maltese	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5a.	Other institutional approval for access to subjects: Health Division, Directorate for Quality and Standards in Education, Department of Public Health, Curia...	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5d.	Other institutional approval for access of data: Registrar, Data Protection Officer Health Division/ Hospital, Directorate for Quality and Standards in Education, Department of Public Health...	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5c.	Approval from Person Directly responsible for subjects: Medical Consultants, Nursing Officers, Head of School	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Received by Faculty Office on	
Discussed by Faculty Research Ethics Committee on	
Discussed by University Research Ethics Committee on	

UNIVERSITY OF MALTA

Request for Approval of Human Subjects Research

Please type. Handwritten forms will not be accepted.

FROM: <i>(name, address for correspondence)</i> Colin Borg, Senior Executive, Office of the Registrar, University of Malta	PROJECT TITLE: The Governance and Management of Public Higher Education in Malta
TELEPHONE: 2340 2109	
EMAIL: colin.borg@um.edu.mt	
COURSE AND YEAR: Ph.D. degree – Year 2	
DURATION OF ENTIRE PROJECT: From 2015 To 2021	FACULTY SUPERVISOR'S NAME AND EMAIL: Professor Edward Warrington edward.warrington@um.edu.mt

ANTICIPATED FUNDING SOURCE: <i>(Include grant or contact number if known)</i> <i>Not applicable</i>

<p>1. Please give a brief summary of the purpose of the research, in non-technical language.</p> <p>The Ph.D. study will focus on the governance and management dynamics of public higher education in Malta by analysing five main themes: (i) the present and foreseen characteristics of the market in higher education; (ii) patterns of state/institutional relations; (iii) the vital necessity of distinguishing between 'governance' and 'management' in analyzing HEIs; (iv) the influence of governance and management on the performance of HEIs, understood in terms of the excellence of the institutions' services and the institutions' competitiveness in the global market for higher education; and (v) the role of Key Performance Indicators (KPIs) in enhancing governance, management, excellence and competitiveness.</p>
<p>2. Give details of procedures that relate to subjects' participation</p> <p>(a) How are subjects recruited? What inducement is offered? <i>(Append copy of letter or advertisement or poster, if any.)</i></p> <p>Subjects will be recruited through: (i) observation sessions conducted at both UM & MCAST where staff and students are participating; and (ii) open-ended interviews with academic staff, where required.</p> <p>Subjects will be induced to participate since the issue of governance and effective management is becoming a major issue for Higher Education Institutions (HEIs) and from a national perspective. This will be the first study of its kind in Malta and will provide a ground-breaking analysis in the relationship between governance, management and KPIs. KPIs are still to be developed by Malta's HEIs.</p>

(b) Salient characteristics of subjects – number who will participate, age range, sex, institutional affiliation, other special criteria:

Around 1,000 employees, representatives of key stakeholders and students will be part of the observation sessions.

(c) Describe how permission has been obtained from cooperating institution(s) – school, hospital, organization, prison, or other relevant organization (*append letters*). Is the approval of another Research Ethics Committee required?

Permission has been granted from the University of Malta Rector, the Registrar and the Director for Human Resources Management and Development.

Permission was also granted by the MCAST Deputy Director for student affairs.

The author has also an existing research relationship with NCFHE and MEDE. Both the Commission and Ministry have fully co-operated with the author to conduct this research.

Through this form, the author is now seeking the approval of UREC.

(d) What do subjects do, or what is done to them, or what information is gathered? (*Append copies of instructions or tests or questionnaires*) How many times will observations, test, etc., be conducted? How long will their participation take?

Participants will form part of the observation sessions and through their contribution their perspective concerning governance and management from an institutional and faculty/institute perspective will be elicited.

The duration of the observation session varies between two to five hours.

(e) Which of the following data categories are collected? Please tick where appropriate.

Data that reveals:

Race and ethnic origin	<input type="checkbox"/>
Political opinions	<input type="checkbox"/>
Religious and philosophical beliefs	<input type="checkbox"/>
Trade union memberships	<input type="checkbox"/>
Health	<input type="checkbox"/>
Sex life	<input type="checkbox"/>
Genetic information	<input type="checkbox"/>

NOT APPLICABLE – Data will not reveal the kind of classifications mentioned above.

3. How do you explain the research to subjects and obtain their informed consent to participate? (*If in writing, append a copy of consent form.*) If subjects are minors, mentally infirm, or otherwise not legally competent to consent to participation, how is their assent obtained and from whom is proxy consent obtained? How is it made clear to subjects that they can quit the study at any time?

Interview Consent Form Attached

4. Do subjects risk *any* harm – physical/ psychological/ legal/ social – by participating in the research? Are the risks necessary? What safeguards do you take to minimize the risks?

There is no risk for subjects to participate in the observation sessions and interviews. A transcript of all interviews will be provided to the participant in order to confirm the text and agree that the author use the information as part of the analysis.

<p>5. Are subjects deliberately deceived in <i>any</i> way? If so, what is the nature of the deception? Is it likely to be significant to subjects? Is there any other way to conduct the research that would not involve deception, and, if so, why have you not chosen that alternative? What explanation for the deception do you give to subjects following their participation?</p> <p>Participants will not be deceived in any manner. To the contrary, this study will shed light on Malta's national and institutional governance and management state and subsequently could potentially be a way forward to their benefit rather than deception.</p>
<p>6. How will participation in this research benefit subjects? If subjects will be 'debriefed' or receive information about the research project following its conclusion, how do you ensure the educational value of the process? (<i>Include copies of any debriefing or educational materials</i>)</p> <p>Participants (who are key officials) will gain from a comprehensive analysis of governance and management in Malta that will be the first step to render HEIs as performing institutions. The author's aim is to publish the Ph.D. study as was the case with the paper published in the second edition of <i>Public Life in Malta</i> that was published by the Department of Public Policy. The paper analysed and compared UM with MCAST structure.</p>

<p>TERMS AND CONDITIONS FOR APPROVAL IN TERMS OF THE DATA PROTECTION ACT</p> <ul style="list-style-type: none"> • Personal data shall only be collected and processed for the specific research purpose. • The data shall be adequate, relevant and not excessive in relation to the processing purpose. • All reasonable measures shall be taken to ensure the correctness of personal data • Personal data shall not be disclosed to third parties and may only be required by the University or the Supervisor for verification purposes. All necessary measures shall be implemented to ensure confidentiality and where possible, data shall be anonymized. • Unless otherwise authorized by the University Research Ethics Committee, the researcher shall obtain the consent from the data subject (respondent) and provide him with the following information: The researcher's identity and habitual residence, the purpose of processing and the recipients to whom personal data may be disclosed. The data subject shall also be informed about his rights to access, rectify, and where applicable erase the data concerning him. <p>I, the undersigned hereby undertake to abide by the terms and conditions for approval as attached to this application.</p> <p>I, the undersigned, also give my consent to the University of Malta's Research Ethics Committee to process my personal data for the purpose of evaluating my request and other matters related to this application. I also understand that, I can request in writing a copy of my personal information. I</p>
--

<p>shall also request rectification, blocking or erasure of such personal data that has not been processed in accordance with the Act.</p> <p>Signature:</p>	
<p>APPLICANT'S SIGNATURE: <i>I hereby declare that I will not start my research on human subjects before UREC approval</i></p> <p>DATE</p>	<p>FACULTY SUPERVISOR'S SIGNATURE <i>I have reviewed this completed application and I am satisfied with the adequacy of the proposed research design and the measures proposed for the protection of human subjects.</i></p> <p>DATE</p>

To be completed by Faculty Research Ethics Committee

We have examined the above proposal and advise

Acceptance	Refusal	Conditional Acceptance
-------------------	----------------	-------------------------------

For the following reason/s:

Signature: _____ Date: _____

To be completed by University Research Ethics Committee

We have examined the above proposal and advise

Acceptance

Refusal

Conditional Acceptance

For the following reason/s:

Signature:

Date:

UNIVERSITY OF MALTA

Covering letter - **Interview Consent Form**

I am pleased to invite you to participate in the research that is being conducted as part of my Ph.D. thesis entitled: 'The Governance and Management of Public Higher Education in Malta'. The purpose of my research is to study elements of governance and management and their contribution towards performing Higher Education Institutions (HEIs). The ultimate aim of my Ph.D. study is to design a KPIs framework for Malta's Higher Education Sector.

If you accept to participate, you will be asked a number of open-ended questions and the total duration of the interview shall not take more than two and a half hours.

Your contribution will be completely anonymous and since I will be presenting an analysis of the primary research conducted with a substantial number of participants, no one will be able to connect the presented arguments to your responses.

I am attaching the consent form for your attention and I am kindly asking you to sign the form if you agree to participate as an interviewee.

Thank you in advance for your participation.

Colin Borg

339680M

Address: Tulip, Triq Alessio Erardi, Haz-Zabbar

Tel: 2340 2109

E-mail: colin.borg@um.edu.mt

UNIVERSITY OF MALTA

Interview Consent Form

Ph.D. thesis title:

Research Participant name:

(a) General Information

The duration of the interview shall not be more than two and a half hours. I do not anticipate that there are any risks associated with your participation, but you have the right to stop the interview or withdraw from the research at any time. Thank you for agreeing to be interviewed as part of the above research project. Ethical procedures for academic research undertaken require that interviewees explicitly agree to being interviewed and how the information contained in their interview will be used.

This consent form is necessary in order to ensure that you understand the purpose of your involvement and that you agree to the conditions of your participation. Would you therefore read the accompanying information sheet and then sign this form to certify that you approve the following:

(b) Interview Transcript

- the interview will be recorded and a transcript will be produced;
- you will be sent the transcript and given the opportunity to correct any factual errors;
- the transcript of the interview will be analysed by Mr Colin Borg as the Ph.D. thesis author;
- access to the interview transcript will be limited to Mr Colin Borg and academic colleagues and researchers with whom he might collaborate as part of the research process;
- any summary interview content, or direct quotations from the interview, that are made available through academic publication or other academic outlets will be anonymised so that you cannot be identified, and care will be taken to ensure that other information in the interview that could identify yourself is not revealed;
- the actual recording will be kept until the examination of the Ph.D thesis is over. It will eventually be destroyed after the examination process is conducted; and
- any variation of the conditions above will only occur with your further explicit approval

In case a direct quotation is included in the final draft of the Ph.D. thesis:

I also understand that my words may be quoted directly. With regards to being quoted, please initial next to any of the statements that you agree with:

I wish to review the notes, transcripts, or other data collected during the research pertaining to my participation.

I agree to be quoted directly.

I agree to be quoted directly if my name is not published and a made-up name (pseudonym) is used.

I agree that the author may publish documents that contain quotations by me.

All or part of the content of your interview may be used;

- In academic papers, policy papers or news articles
- On a website and in other media that the author may produce such as spoken presentations
- On other feedback events
- In an archive of the project as noted above

(c) Consent to take part in the study

By signing this form I agree that;

1. I am voluntarily taking part in this project. I understand that I don't have to take part, and I can stop the interview at any time;
2. The transcribed interview or extracts from it may be used as described above;
3. I have read the Information sheet;
4. I do not expect to receive any benefit or payment for my participation;
5. I can request a copy of the transcript of my interview and may make edits I feel necessary to ensure the effectiveness of any agreement made about confidentiality;
6. I have been able to ask any questions I might have, and I understand that I am free to contact the researcher with any questions I may have in the future.

Participant Signature

Date

Researcher Signature

Date

Contact Information

This research has been reviewed and approved by the Faculty and University Research Ethics Board.
If you have any further questions or concerns about this study, please contact:

Name of researcher: Colin Borg

Full address: Tulip, Triq Alessio Erardi, Haz-Zabbar

Tel: 2340 2109

E-mail: colin.borg@um.edu.mt

ONE-WAY CONFIDENTIALITY DECLARATION

I Colin Borg of 'Tulip, Triq Alessio Erardi , Haz Zabbar and holder of ID card number 339680M, (the *Recipient*), hereby solemnly declare and undertake, with regards all and any information (the *Confidential Information*) disclosed, whether orally or otherwise, during sessions of the Council of the University of Malta established by virtue of Article 74 of Chapter 327 of the Laws of Malta (hereinafter the members of the Council collectively known as the *Discloser*):

1. Not to use the Confidential Information for any purpose except for the purpose of [Ph.D. thesis] (the *Permitted Purpose*), without first obtaining the written agreement of the Discloser.
2. Not to issue any press release or any other information to the public containing the Confidential Information, whether in whole or in part, without first obtaining the written agreement of the Discloser.
3. To keep the Confidential Information secure and not to disclose it to any third party, except to those who need to know the same for the Permitted Purpose and who are bound by obligations equivalent to those in this Declaration.

Furthermore, I hereby acknowledge and accept that:

4. The obligations in this Declaration apply to all of the information disclosed by the Discloser to the Recipient, regardless of the way or form in which it is disclosed or recorded.
5. Nothing in this Declaration will prevent the Recipient from making any disclosure of the Confidential Information required by law or by any competent authority. Provided that, in the event that such a disclosure is required, the Recipient shall promptly notify the Discloser.
6. The Discloser gives no warranties in relation to the Confidential Information disclosed and in particular (but without limiting the foregoing) no warranty or representation, express or implied, is given by the Discloser as to the accuracy, efficacy, completeness, capabilities or safety of any materials or information.
7. The Recipient will, on request from the Discloser, return all copies and records of the Confidential Information and will not retain any copies or records of the Confidential Information.
8. Neither this Declaration nor the supply of any information grants the Recipient any licence, interest or right in respect of any intellectual property rights of the Discloser.
9. No agency or partnership relationship between the Recipient and the Discloser, whether express or implied, shall be created by this Declaration.

10. The Recipient undertakes this obligation of confidentiality indefinitely as of 30 November 2018.
11. This Declaration may not be modified unless with the express written consent of the Discloser.
12. This Declaration shall be governed by the laws of Malta. The Malta Arbitration Centre established in terms of Chapter 387 of the Laws of Malta shall have jurisdiction to determine any claims arising from this Declaration.

Duly signed by the Recipient:

Colin Borg
339680M
Senior Executive – Office of the Registrar
Date: 30 November 2018

Appendix VII – List of reviewed documents

Document/s	Publication Year/s
Malta's Education Act	1988
European Commission – Higher Education Governance in Europe: Policies, Structures, Funding and Academic Staff	2008
European Commission – Assessing Europe's University-Based Research	2010
European Commission – Supporting Growth and Jobs: An Agenda for the Modernisation of Europe's Higher Education Systems	2011
European Commission – ENQA statement on the European Commission's Report on Progress in Quality Assurance	2013
European Commission – Dropout and Completion in Higher Education in Europe – Main Report	2015
European Commission – Education and Training Monitor 2018: Country Analysis	2018
European Commission – Peer Review – Maltese Research and Innovation System	2019
European Commission – New Doctoral Graduates per Thousand of the Population aged 25-34.	2020
European Commission – Eurydice: National Policies and Higher Education Systems	2020
European Commission – Study in Europe	2020
European Parliament – Internationalisation of Higher Education	2015
European University Association – Designing Strategies for Efficient Funding of Universities in Europe	2015
European University Association – Learning and Teaching in European Universities	2015
European University Association – Collaborative Doctoral Education in Europe	2015
Kunsill Studenti Universitarji Annual Reports	2014-2019
Malta Qualification Council – A National Awards System Referenced to	2010

Malta Qualifications Framework: a proposal	
MCAST Annual Reports	2013-2019
MCAST Strategic Plan	2019
MEDE - Framework for the Education Strategy for Malta, 2014-2024, Sustaining Foundations, Creating Alternatives, Increasing Employability	2014
MEDE – The Social and Economic Conditions of Student Life: National Data for Malta	2014
MEDE – Employability Index	2015
MEDE - Working Group on the Future of Post-Secondary Education	2017
MEDE - University of Malta Act: Increased Access, Better Quality – A Vision for Tomorrow’s University in the Modern World	2017
MEDE – Stipends Measures	2017
MEDE - Malta National Lifelong Learning Strategy	2020
Ministry of Education, Youth and Employment - State Higher Education Funding	2004
Ministry for Finance – Budget Speech	2014
Ministry for Finance - Budgetary Estimates	2014
Ministry for Sustainable Development, the Environment and Climate Change - Waste Management Plan for the Maltese Islands: A Resource Management Approach, 2014-2020	2014
NCFHE – Promoting the Malta Qualifications Framework through Accreditation, Recognition and Validation	2012
NCFHE – Annual Further and Higher Education Statistics	2009-2016
NCFHE – Annual Reports	2007-2019
NCFHE – Graduate Trace Study	2017
NCFHE – Eurostudent Surveys	2008-2021
NCFHE & MEDE – National Higher Education Strategy	2014
NSO – Press Releases: Student Enrolment	2017-2020
NSO – Press Releases: Graduates	2017-2020
University of Malta Access Arrangements	2018
University of Malta Annual Reports	2013-2019

University of Malta – Faculty of ICT (Nurturing a Community of Digital Leaders)	2020
University of Malta – Faculty for Social Wellbeing (Societas.Expert)	2020
University of Malta – Internal Quality Assurance Self Study-Document	2015
University of Malta – Rector’s publication: 2020 Vision or Optical Illusion?	2010
University of Malta – Rector’s publication: Living the Vision	2016
University of Malta Strategic Plan	2019
University of Malta – Supporting Suicidal and/or Severely Distressed Students	2018