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# **FINANCIAL GOVERNANCE, LEADERSHIP & ROLE OF STUDENTS' UNION IN THE GOVERNANCE OF HIGHER EDUCATIONAL INSTITUTIONS (HEIS) IN WEST BENGAL – AN EMPIRICAL INQUEST WITH REFERENCE TO THE DISTRICT OF HOWRAH**

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**Abstract:** Education in its general sense is a form of learning, in which the knowledge, skills, and habits of a group of people are transferred from one generation to the next through teaching, training, or research. Higher education institutions are an important part of - and play an important role in - society. The institutions are societies unto themselves, but they are also part of the larger society. If they remained only societies unto themselves, higher education institutions would be locked up in the proverbial ivory tower and their future would most likely be considerably shorter than their past. On the other hand, higher education institutions without some distance from society at large would run a serious risk of losing their capacity to reason in terms of principle, to take a long term view somewhat detached from the immediate issues of the day and to identify sustainable solutions to the most serious and long term challenges facing our society. Student participation as defined by this conference is an aspect of the broader area of higher education governance, so it may be useful to recall that higher education governance is at the heart of the Bologna Process and will be a key feature of the European Higher Education Area to be set up by 2010. To an extent, this is taken for granted, and many institutional representatives and higher education policy makers refer to academic freedom and institutional autonomy - or sometimes a mixture of the two - as if these were obvious features of higher education in Europe, freedoms earned at the dawn of time and destined to be with us until some distant academic sunset. While discussing quality in the field of education, the focus of students is on the facilities provided, of the teachers is on the teaching-learning process, of management and parents is on the scores or grades achieved, and of prospective employers is on the nature of the output. The present study investigates the issues of governance in Higher Education Institutions in India, with a specific and pin-pointed analysis on the financial governance, leadership and role of students' union on the overall governance of the degree colleges in the district of Howrah, West Bengal. The study is based on Primary Data Analysis. Statistical tools like frequency distribution table and factor analysis have been used for the study.

**Keywords:** Governance, HEIs, Howrah, Factor Analysis.

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**Introduction:** Education in its general sense is a form of learning in which the knowledge, skills, and habits of a group of people are transferred from one generation to the next through teaching, training, or research. Education frequently takes place under the guidance of others, but may also be autodidactic. Any experience that has a formative effect on the way one thinks, feels, or acts may be considered educational. The English word "Education" has been derived from two Latin words Educare (Educere) and Educatum. "Educare" means to train or mould.

In traditional sense, education means controlling or disciplining the behaviour of an individual. In Hindi, the term “Siksha” has come from the Sanskrit word “Shash”. “Shash” means to discipline, to control, to order, to direct, to rule etc. Education in the traditional sense means controlling or disciplining the behaviour of an individual. In Sanskrit “Shiksha” is a particular branch of the Sutra literature, which has six branches –Shiksh, Chhanda, Byakarana, Nirukta, Jyotisha and Kalpa. The Sutra literature was designed to learn the Vedas. Siksha denotes rules of pronunciation. There is another term in Sanskrit, which throws light on the nature of education. It is “Vidya” originating from “Bid” meaning knowledge.

If one goes through certain definitions of education of eastern and western thinkers one may have some idea of nature and meaning of the term education. Some of the definitions are presented below:

- Swami Vivekananda was of opinion that education is the manifestation of perfection already in man. Like fire in a piece of flint, knowledge exists in the mind. Suggestion is the friction which brings it out.
- Rabindranath Tagore observed that education is that which makes one’s life in harmony with all existence and thus enables the mind to find out that ultimate truth which emancipates us from the bondage of dust and gives us the wealth, not of things but of inner light, not of power, but of love, making this truth its own and giving expression of it. Regarding higher education it was his opinion that the highest education is that which does not merely give us information but makes our life in harmony with all existence.
- Radhakrishnan while discussing about the concept of education stated that, education according to Indian tradition is not merely a means of earning a living; nor it is only a nursery of thought or a school for citizenship. It is initiation into the life of spirit and training of human souls in the pursuit of truth and the practice of virtue.

From the above definitions it appears that the field of education is so vast and varied that to give a specific definition of education about which all educationists agree is very difficult. Some educationists have defined only one aspect of education whereas the others emphasize its other phases. The reason of this difference of opinions is that different educationists, most of whom are philosophers, have different views about their aims of lives. According to Idealists, the aim of life is spiritual development and they regard education as a spiritual process, which aims at bringing together the soul and the creator leading to self-realization. Pragmatists think about education as a process of social progress. Because of this difference in the philosophy of life, different educationists define education differently. The fact is that the real concept of education is not related solely to any of the above-mentioned views. It is more than either of them. In a real sense, education is a sort of synthesis of all the above viewpoints. In this sense, education includes the individuals, the society, the environment, the social fabric and the prevailing traditions. Hence, the definition of education ought to be a very comprehensive and all inclusive one.

After having a minute study through the basic concept of education one point naturally arises regarding its quality. It is of no use to mention that the growth and development of any country to a large extent depend on imparting quality education to its citizen. If the country fails to impart quality education to its citizen the country won’t be able to produce responsible citizen.

**Higher Education – Overview:** In a society full of diversity, ideologies and opinions, higher education means different things to different people. The pluralism of views is quite inevitable and some would opine it should be like that only. However, as one intends to discuss and learn about quality in higher education, one should ask oneself, what is higher in higher education? As a stakeholder of higher education, one should agree that it is not just about the higher level of educational structure in the country. There is more to it. In terms of the level, higher education includes college and university teaching – learning towards which students’ progress to attain higher educational qualification. Higher education imparts in-depth knowledge and understanding so as to advance the students to new frontiers of knowledge in different walks of life. It is about knowing more and more about less and less. It develops the student’s ability to question and seek truth and makes him/her competent to critique on contemporary issues. Although it broadens the intellectual powers of the individual within a narrow specialisation, yet it also gives him/her a wider perspective of the world around. According to **Barnett (1992)** there are four predominant concepts of higher education:

1. Higher education as the production of qualified human resources.
2. Higher education as training for a research career.
3. Higher education as the efficient management of teaching provision.
4. Higher education is a matter of extending life chances. Following this view, higher education is seen as a means to improving individuals through a flexible, continuing education mode.

All these four concepts of higher education stated above are not exclusive; rather they are integrated and give an overall picture of what higher is in higher education. If one looks at the activities of colleges and universities one will realise that teaching, research and extension form the three main functions of higher education.

**Growth of Higher Education in India - A Brief Idea:** Higher education institutions 'in India are of varied growth levels and also have varying funding mechanisms. We have higher education institutions under the category of Institutes of national importance like IITs, IIMs, AIIMS and the Central universities, all funded 100% by the Central Government. State Universities are funded mainly by the State Government, however, some marginal financial supports are provided by the Central Government as plan grants through various schemes of the UGC. Another category of institutions are designated as Deemed to be Universities.

Broadly, the size of the State University sector is reported to be 57 % of the total, 8% is the Central University sector, 1 % are the institutions other than universities established under the State Legislation<sup>1</sup> and likewise, 7% are the institutions of national importance and almost 27% institutions are under the category of Deemed-to be-Universities. The number of the universities up to the year 2010 has been reported to be 518 by the UGC. The total student enrollment under all these institutions is over 12.3 million students (123 lakhs). There has been a rapid growth beyond the year 2000. The number of universities in year 2000 was 266 and there is almost 100% growth in less than 8 years. period. Also in 1947, the total number of universities were only 20, with student enrolment of about 0.2 million (2 lakhs). We thus have come a long way!

Likewise, the College sector which is primarily affiliated to the universities recorded its growth to reach a mark of 25951 in the year 2010. This number was 500 in the year 1947. Total percentage of enrollment for Undergraduate programmes is almost 90%, 10% is for Postgraduate Education & Research. Likewise, if we look at stream-wise enrollment in India, Humanities & Arts stream constitute the largest percentage among all i.e. 45%; Sciences constitute 20%; Commerce & Management constitute 18%; Engineering & Technology constitute 7% and remaining 10% for streams like Law, Agriculture, Medicine and all others ranging from 1 % to 3% each. The Government of India has emphasized the need for further growth of higher education institutions incorporating the recommendations of the National-Knowledge Commission and also similar recommendations by the Planning Commission of India from time to time. In the current plan period, the Govt. of India has already established 8 new IITs, 6 IIMs, 20 NITs, 3 IISERs, and 20 new NITs are proposed and 2 more SPAs. The spectacular growth in the number of higher education institutions at all levels including the affiliating college system, the universities including deemed-to-be universities etc has elevated India as a country leading globally in higher education sector along with USA and China.

After going through glimpses of study in the above idea, one point that necessarily arises relating to the maintenance of quality in higher education through good governance practices. Before venturing into this discussion one should have some idea about the concept of quality and quality in higher education. From the following lines, one can have some idea about the same.

**Governance in Higher Educational Institutions (HEIs):** The term governance—derived from the Greek *kybernan* meaning to steer a ship and was used for the first time in a metaphorical sense by Plato. It then passed on to Latin and then on to many languages. It is loosely used to describe the process by which decisions are made and carried out on behalf of the members of an organization, the stockholders of a corporation, or the citizens of a nation. However, in common parlance the term governance means the act of governing. It relates to decisions that define expectations, grant power, or verify performance.

It consists of either a separate process or part of decision-making or leadership processes. In case of a business or of a non-profit organization, governance relates to consistent management, cohesive policies, guidance, processes and decision-rights for a given area of responsibility. In case of HEIs "governance" is what a "governing body" does. Here the objective of the governance is to frame policies in the matter of planning human resources, recruitment, training, performance appraisal, financial management and the overall role of leadership in institution building keeping in view of vision and mission of the HEIs, and to look into whether such policies can be effectively implemented. Having gone through these it may be stated that the key aspects of governance of the HEIs are to evaluate the institutional vision and the leadership style, strategy development and deployment, faculty empowerment strategies, financial management and resource mobilization and internal quality assurance system.

Like the Indian economy underwent a liberalizing in the 1990s, the education system is gradually being opened up for change and decentralization. In particular, the federal and state governments are gradually giving higher education institutions more decision and spending power. This represents a move away from detailed government control over spending, teaching, and curriculum decisions, which required frequent approval from federal or state government officials. Besides the 11th Five Year Plan, several facts pay witness to this movement:

In India, the higher education institutions exist in two significant categories- University and Colleges. Universities are autonomous bodies whereas colleges are affiliated to universities. Universities therefore, have the prime responsibility of developing the higher education system and maintaining quality of it. The dimensions of 'Our higher education system warrant a very serious consideration of the issues of management and accordingly the theme of the Issue is of utmost importance. Here we need to review the governance issues for all aspects of higher education system prevalent in India. We should begin examining the manner in which the governance had been evolving since pre-independence period to the present context. Models of institutional governance and administration with particular reference to autonomy and accountability are the most important issues of governance which need much pondering. Besides the above, governance issues of higher education in the current scenario of establishment of Institutions under Public Private Partnership (PPP) model; establishment of Foreign Institutions in India jointly with Indian education providers or otherwise; and issues concerning the role and responsibility of statutory bodies interacting and dealing with the university system vis-a-vis the State and Central Governments also needs discussion.

#### **Issues of External and Internal Governance:**

We may divide issues of governance of institutions into two major groups:

1. Issues of external governance of higher education
2. Issues of internal governance of higher education

Issues concerning interaction with the Governments, statutory bodies etc. are issues of external governance of higher education system/institutions. Likewise, the issues of academic and administrative matters of the institution; and matters of its own vision and mission are considered as issues of internal governance within.

**External Governance:** The agencies/authorities for external governance are the Central/State Governments and their organizations/bodies, and national/international accreditation authorities. This includes any policy directive concerning the national agenda! scenario through the statutory bodies like UGC and other bodies responsible for governing the performance of the higher education institutions in terms of course content/duration of courses of study etc, particularly, with respect to matters concerning maintenance of uniformity of norms and standards of higher education. For this purpose, UGC and other statutory bodies such as AICTE, NCTE are apex authorities as per provisions of their respective Acts for prescribing norms and standards etc. with regard to the respective weightages of course contents for various courses of studies of the higher education spectrum. Details include considerations about the number of teaching hours for a given programme of studies etc. and prescriptions of various courses of studies at the first degree level, the postgraduate level and also guidelines for the quality etc. for the doctoral programmes. Similarly, the national bodies like Council of

Scientific & Industrial Research, Indian Council of Social Science Research, Indian Council of Historical Research, Indian' Council of Philosophical Research and likewise the Departments of Science & Technology, the Electronics and many other departments dealing with Scientific, Social Sciences and Humanities subjects of studies also give comprehensive directions to higher education Institutions which are of utmost importance to build India as a Knowledge society.

**Internal Governance:** Likewise, the internal governance within the institutions is mostly carried out by the Governing structure of the institution as per provisions of respective Acts; MoAs etc. The internal governance of the University is conducted by different names viz., University Court, the Senate, Governing Council, Executive Council etc. These apex authorities are supported through various other bodies namely, Academic Council, Board of Studies, Research Board, Planning Board, Admission Committee, Faculty Council, Faculty Selection Committee and likewise many other committees.

In case of college the highest body of governance is Governing Body. The Governing Body of every college shall be responsible for the proper management of the affairs of the college and may exercise all such powers and functions as may be necessary for the purpose. The Governing Body of the college shall be responsible for creating good academic environment and maintenance of academic standards, creation of teaching and non-teaching posts, creation of infrastructure etc. which can directly contribute to the improvement of overall quality of education of such colleges.

Under this backdrop an attempt will be made to explore the evaluation of the governance of the general degree colleges affiliated to the University of Calcutta in the Howrah district, West Bengal.

**Brief Review of the Available Literature:** While finding out the objectives of the present study, different relevant literatures, Indian and Foreign, had been thoroughly reviewed. Some of the important literatures are presented below which seem to be pertinent here.

**Prasad (2006)**<sup>2</sup>, a noted educationist observes that quality is the nation's collective agenda. According to him, quality is not something that a single institution can do on its own. He mentions the four challenges that UNESCO has identified for the 21<sup>st</sup> century to improve the quality of higher educational institutions (HEIs) and discussed on the requisites of an educational system for ably dealing with these challenges. His writings, while not trying to offer any scholarly analysis of problems, stress on quality.

**Powar (1999)**<sup>3</sup>, advocates that in the field of education the focus of students is the facilities provided, the focus of teachers is on the teaching/learning process, the focus of management and parents is on the scores or grades achieved and the focus of prospective employers is on the nature of output irrespective of quality

**Faruqui and Qureshi (1999)**<sup>4</sup>, observe that higher education in modern society seeks to maintain/cherish, disseminate and advance knowledge and should be committed to change. They mention the importance of education as an agent of change and progress in India. However, they emphasise on the recommendations of various committees and commissions in relation to quality improvement in higher education. According to them, the implementation of those recommendations made by different committees and commissions is essential for the development of India. In the field of higher education in India, the recommendations of various educational experts, committees and commissions have been grossly unexplored and, to some extent, ignored.

**Kapur (1999)**<sup>5</sup>, a noted educationist, suggest that quality of higher education can be evaluated accurately. He advocates that, before evaluating anything, it is necessary to define the thing first. Everybody must have clear idea/understanding about what quality of higher education means. It can be expressed in terms of standard for excellence in teaching-learning, research and administration for colleges and universities. According to him, for evaluation of standards, weights are to be assigned to each standard which most of the educationists may agree. However, it is expected that both the standards and the weights are to be selected through national debate and an agreement must be arrived

at so that everybody knows the standards and the weights. He observes that every institution tries to optimise the weighted mean according to its quality. Quite often, it may happen that even the standards given are intrinsically for mediocrity. He discusses, in detail, regarding measuring quality in different areas.

**Khanna (2005)**<sup>6</sup>, a noted educationist, observe that the research centres/universities are established to assist the economic, social and cultural development of the country. According to him, these centres/universities should undertake research work relevant to local needs and make their knowledge and resources available to the community through advice and consultancy services as these are public-funded institutions. These institutions are accountable to the society, to the students, i.e., in short, to all the stakeholders of this educational system.

**Dearlove (1997)**<sup>7</sup> emphasises that, under the conditions of mass higher education, no university can avoid the need for some sort of bureaucratic management and organisation, though this does not mean that the importance of informal discipline and profession based authority (internal governance of universities) can totally be ignored.

**Kaplan (2001)**<sup>8</sup> conducted a survey of Higher Education Governance. The findings of the survey detail the method with summary of the present state of shared governance. The findings include the state of the locus of authority and reforms as well as the analysis of the challenges facing Liberal Arts Colleges with the pressures of the current economic climate.

**Coldrake, Stedman, and Little (2003)**<sup>9</sup> discussed the shared traditions and history of higher education worldwide. Internationally, tertiary education includes private not-for-profit, private for-profit, and public institutions governed by differentiated structures of management.

**Kezar and Eckel, Lapworth, Middlehurst (2004)**<sup>10</sup> point out that next to the concept of shared and participative governance a new form of governance has emerged, i.e. the notion of corporate governance of institutions that has increasingly become a more dominant approach to tertiary management.

**Middlehurst, (2004)** a noted educationist stated that Governance in higher education refers to the means by which higher educational (also tertiary or postsecondary) institutions are formally organized and managed, though often there is a distinction between definitions of management and governance. Simply, university governance is the way in which universities are operated. Governing structures for higher education are highly "differentiated throughout the world.

**McMaster (2007)**<sup>11</sup> discusses the same changes in university management resulting from the "huge amount of additional administrative work at all levels within the university, and the requirement for a wide range of specialist skills in areas such as marketing, HR management, management accounting, web development and instructional design." and the difficulties with the tensions that have resulted between collegial and corporate models of management.

**Identifying the Ultimate Research Vacuum:** Quality as a concept is a 20<sup>th</sup> century phenomenon that has its root in the industry and management. In the field of education it has been observed that with globalisation and the GATS (Global Agreement on Trade in Services), the educational environment has been seized by increased competition. In order to survive in such a situation, educational institutions become worried about their quality. This has become more prominent in case of private/self-financed institutions. Maintaining standard is the buzzword of the day. And it will be possible only when good governance practices can be adopted by the educational institutions. Although some research work has been done on the governance practices adopted by the HEIs, most of the relevant books and articles are basically conceptual. However, the effectiveness of the governance of the HEIs has not been dealt with in great details, *leaving more scope of doing research in this area.*

**Research Methodology for the Present Study: Nature of Data:** The study is essentially empirical in nature. It is mainly based on relevant primary data and information are collected from all the general degree colleges in the Howrah District affiliated to the University of Calcutta, based on *Complete Enumeration Method*, where the population are all the afore-mentioned colleges, of course, depending on the availability of data. **Finally, data were collected from 168 governing body members of 13 degree colleges in the district of Howrah.**

**Method of Collection of Data:** Necessary data required for the study were collected through a questionnaire supplemented by personal interviews and discussions with the Principals, /Teachers-in charge, coordinators of IQACs, selected members of Governing Bodies, and cross-sections of stakeholders connected with higher education, namely, students, parents, teachers, staff members of the said institutions. Information available in the Annual Quality Assurance Reports (AQARs) has also been used in case of the NAAC - accredited colleges. For the purpose of the study, secondary data and information has also been gathered from the existing literature, such as relevant research based books/articles and reports and some relevant websites has also been visited.

**Time Frame for Collecting the Primary Data:** From August 2014 to October 2015.

**Tools for Data Analysis:** The data collected was analysed using appropriate statistical tools and techniques. Based on appreciation of the conceptual issues and analysis of data, an attempt has been made to draw meaningful conclusions. To be more specific, factor analysis was conducted on the variables relating to strategic planning and financial governance separately, to identify the relevant important factors. As the data was large in number (>30), so normality assumption was valid and multivariate analysis was found to be relevant for the study and so used properly, keeping static all the relevant assumptions.

**Objectives of the Study:** Based on the above literature review and more specifically, after pin-pointing the ultimate research vacuum, the major objective of the study has been found to be, to evaluate the governance of the general degree colleges affiliated to the University of Calcutta. With a view to making the study more meaningful, certain specific aspects have to be studied and these are as under:

1. To assess whether and to what extent governance helps improve academic, financial and administrative performance of the said institutions.
2. To measure the extent to which governance helps said institutions internalize and institutionalize quality culture.

**Detailed Analysis and Findings on the Governance of Higher Education Institutions based on the collected Data:** From the above collected data, I got the following information about the governance of HEIs which are presented below:

**The Financial Strategy is discussed in the Finance Committee meeting and ratified in the meeting of the Governing Body:**

**Table 1:** The Financial Strategy is discussed in the Finance Committee meeting And ratified in the meeting of the Governing Body

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	105	53.8	62.5
	agree	27	13.8	78.6
	neutral	17	8.7	88.7
	disagree	9	4.6	94.0
	strongly disagree	10	5.1	100.0
	Total	168	86.2	100.0
Missing	System	27	13.8	
	Total	195	100.0	

**Source:** Compiled from Primary Data through SPSS 21.0

The above table depicts that 62.5 per cent of the respondents strongly agree on the point that the financial strategy is discussed in the Finance Committee meeting and ratified in the meeting of the Governing Body, which again strongly depicts **the financial governance in strategic planning in the aforesaid institutions.**

**The Principal in consultation with Bursar and Accountant prepares the Annual Budget and discusses the same in the Finance Sub-committee:**

**Table 2:** The Principal in consultation with Bursar and Accountant prepares The Annual Budget and discusses the same in the Finance Sub-committee

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	strongly agree	127	65.1	75.6	75.6
	agree	9	4.6	5.4	81.0
	neutral	10	5.1	6.0	86.9
	disagree	8	4.1	4.8	91.7
	strongly disagree	14	7.2	8.3	100.0
	Total	168	86.2	100.0	
Missing	System	27	13.8		
	Total	195	100.0		

Source: Compiled from Primary Data through SPSS 21.0

The above table depicts that 75.6 per cent of the respondents strongly agree on the point that The Principal in consultation with Bursar and Accountant prepares the Annual Budget and discusses the same in the Finance Sub-committee, which again strongly depicts **the decentralization and proper communication in the financial governance in the aforesaid institutions.**

**Finance Committee's decision is approved by the Governing Body:**

**Table 3:** Finance Committee's decision is approved by the Governing Body

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	strongly agree	109	55.9	64.9	64.9
	agree	18	9.2	10.7	75.6
	neutral	17	8.7	10.1	85.7
	disagree	7	3.6	4.2	89.9
	strongly disagree	17	8.7	10.1	100.0
	Total	168	86.2	100.0	
Missing	System	27	13.8		
	Total	195	100.0		

Source: Compiled From Primary Data through SPSS 21.0

The above table depicts that 64.9 per cent of the respondents strongly agree on the point that the Finance Committee's decision is approved by the Governing Body, which strongly depicts **the ultimate ratification of the financial decisions by the Governing Body in the financial governance in the aforesaid institutions.**



**Governing Body Interfaces into the Day-To-Day Financial Matters of the Institution:****Table 4:** Governing Body interfaces into the day-to-day financial matters of the institution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	24	12.3	14.3
	agree	7	3.6	18.5
	neutral	9	4.6	23.8
	disagree	11	5.6	30.4
	strongly disagree	117	60.0	69.6
	Total	168	86.2	100.0
Missing	System	27	13.8	
	Total	195	100.0	

Source: Compiled From Primary Data through SPSS 21.0

The above table depicts that 69.6 per cent of the respondents strongly disagree on the point that the Governing Body interfaces into the day-to-day financial matters of the institution, which strongly depicts the role of the Governing Body as an overall supervisory and decision-making authority.

**Rest of the Findings in case of Financial Governance:**

- 61.3 per cent of the respondents strongly agree on the point that the Principal does not take any financial decision without consulting the Finance Committee, which depicts that **there is strong liaison between the Principal and the Finance Committee regarding the financial decision making.**
- 60.7 per cent of the respondents strongly agree on the point that Periodic review of the financial actions taken by the Principal is done by the Governing Body, which strongly depicts that **there is strong distinction between the line and staff management, which helps in overall control of the aforesaid institutions.**
- 69.0 per cent of the respondents strongly agree on the point that Periodic review of the financial actions taken by the Principal is done by the Governing Body, which strongly depicts that **there is strong financial governance as induced by the Governing Body for the overall control of the aforesaid institutions.**
- 72.6 per cent of the respondents strongly agree on the point that Internal Audit is not done on a regular basis, which strongly depicts that **there is lack of proper internal financial control from the view-point of audit in the aforesaid institutions and the said institutions depend mainly on Statutory financial Audit.**
- 85.7 per cent of the respondents strongly agree on the point that Audit Committee necessarily establishes financial discipline, which strongly depicts that **there may be strong financial discipline as a part of financial governance in the aforesaid institutions with the help of Audit Committee, although in practice, Audit Committee exists in few sample institutions.**
- 62.5 per cent of the respondents strongly agree on the point that in preparing annual budget, it is the practice to collect departmental budgets, which strongly depicts that **there is decentralization and coordination in the financial planning of the aforesaid institutions.**

**Findings In Case of Leadership:**

- 60.7 per cent of the respondents strongly agree on the point that the Principal/TIC motivates the staff of the institution for their improvement, **which depicts that that the Principal/TIC is very positive towards the overall HR development of the institution.**
- 64.3 per cent of the respondents strongly agree on the point that Periodic review of the financial actions taken by the Principal is done by the Governing Body, **which depicts that there is strong**

**confidence building initiatives by the authority for the sake of overall HR development of the institution.**

9. 66.7 per cent of the respondents strongly agree on the point that the Principal/TIC TAKES advice of those members who are close to him/her, **which depicts that there the Principal/TIC more often consults with the members close to him/her.**
10. 66.7 per cent of the respondents strongly agree on the point that the Principal/TIC TAKES advice of those members who are close to him/her, **which strongly depicts that there is strong distinction between the line and staff management, which helps in overall control of the aforesaid institutions.**
11. 58.3 per cent of the respondents strongly disagree on the point that the Principal/TIC uses 'divide and rule' policy to run the institution, **which strongly supports the fact that the Principal/TIC in most of the cases, is justified and democratic for the sake of overall development of the institution.**
12. 66.7 per cent of the respondents strongly disagree on the point that to avoid criticism, the Principal/TIC sticks to holding just the minimum number of the Governing Body meetings in an academic session, **which strongly supports the fact that the Principal/TIC is always indifferent and democratic for the sake of overall development of the institution.**
13. 57.7 per cent of the respondents strongly agree on the point that the Principal/TIC helps the staff so far as their promotion-related matters are concerned, **which strongly supports the fact that the Principal/TIC is always helpful for the sake of overall development of the institution.**
14. 47.3 per cent of the respondents agree on the point that the Principal/TIC believes in participative style of leadership, **which strongly depicts that the Principal/TIC is always participative for the sake of overall development of the institution.**

#### **Findings In Case of Role of Students' Union:**

15. 47.6 per cent of the respondents strongly agree on the point that the students' union takes active part in the day-to-day administration of running the institution, **which is really in tune with the concept of Shared Governance Model.**
16. 58.9 per cent of the respondents strongly agree on the point that The Principal/TIC allows the students' union to take active part in the day-to-day administration of the institution, **which strongly depicts that there is strong participation of the students' union as one of the important stakeholders in the day-to-day administrative and academic decision making of the institution through their representation in the Governing Body, which may lead to the furtherance of the governance of the institution.**
17. 74.4 per cent of the respondents strongly disagree on the point that The Principal/TIC turns a deaf ear to prayer of the general students and encourages them to place their demands through the students' union **which depicts that as envisaged by the authority, students' demands should be routed through students' union, as they represent the students' community in order to maintain peaceful atmosphere and discipline within the institution.**
18. 54.2 per cent of the respondents strongly disagree on the point that the external Governing Body members give importance to the views of the students' union in the governance of the institution instead of relying on the views of the Principal/TIC, **which depicts that there is balance in approach of the external governing body members towards decision making for inclusive governance.**
19. 58.3 per cent of the respondents strongly disagree on the point that the Principal/TIC cannot take independent decision regarding any issue concerning the interests of the students until he/she gets some endorsement from the students' union, **which depicts that the head of the institution enjoys full independence in case of decisions concerning the interests of the students although sometimes (except financial decisions) participative approach is adopted by him/her.**
20. 65.5 per cent of the respondents strongly agree on the point that inclusion of the students' representative leads to better functioning of the Governing Body, **which depicts that the students' union is also considered an effective component in the overall governance model of the institution.**

**Results of Factor Analysis:**

**Financial Governance:** Regarding financial governance, we have taken the KMO Measure of Sampling Adequacy which was found to be .600 (>.500) and Bartlett’s Test of Sphericity which was found to be significant (.000).

**Table 5: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.600
Bartlett's Test of Sphericity	Approx. Chi-Square df Sig.
	1170.860 55 .000

**Table 6: Communalities**

	Initial	Extraction
The Principal/TIC in consultation with the Burser designs the financial strategy	1.000	.767
The financial strategy is discussed in the Finance Committee meeting and ratified in the meeting of the Governing Body	1.000	.595
The Principal in consultation with Burser and Accountant prepares the Annual Budget and discusses the same in the Finance Sub-committee	1.000	.311
Finance Committee's decision is approved by the Government	1.000	.786
Governing Body into the day-to-day financial matters of the institution	1.000	.731
Principal does not take any financial decision without consulting the Finance Committee	1.000	.929
Periodic review of the financial actions taken by the Principal is done by the Governing Body	1.000	.753
Governing Body takes effective steps, if any financial irregularities arise	1.000	.745
Internal Audit is done on a regular basis	1.000	.942
Audit Committee necessarily establishes financial discipline	1.000	.863
In preparing annual budget, it is the practice to collect departmental budgets	1.000	.798

**Extraction Method:** Principal Component Analysis.

**Table 7: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.669	33.351	33.351	3.669	33.351	33.351	3.171	28.823	28.823
2	1.981	18.010	51.362	1.981	18.010	51.362	1.888	17.163	45.986
3	1.406	12.785	64.147	1.406	12.785	64.147	1.681	15.284	61.270
4	1.165	10.589	74.736	1.165	10.589	74.736	1.481	13.466	74.736
5	.923	8.387	83.123						
6	.681	6.194	89.317						
7	.451	4.100	93.418						
8	.292	2.654	96.071						
9	.234	2.129	98.201						
10	.180	1.637	99.838						
11	.018	.162	100.000						

**Extraction Method:** Principal Component Analysis

**Table 8: Rotated Component Matrix(a)**

	1	2	3	4
The Principal/TIC in consultation with the Burser designs the financial strategy	0.335468	-0.37118	0.715907	-0.06712
The financial strategy is discussed in the Finance Committee meeting and ratified in the meeting of the Governing Body	0.05785	0.755372	-0.08522	-0.11834
The Principal in consultation with Burser and Accountant prepares the Annual Budget and discusses the same in the Finance Sub-committee	0.447808	-0.15096	0.292465	0.048516
Finance Committee's decision is approved by the Government	0.869623	-0.1656	0.010675	-0.04486
Governing Body does not interfere into the day-to-day financial matters of the institution	-0.26312	0.771171	0.084018	0.245155
Principal does not take any financial decision without consulting the Finance Committee	0.941487	0.07974	-0.07284	0.177111
Periodic review of the financial actions taken by the Principal is done by the Governing Body	0.035557	-0.19671	-0.0518	0.842708
Governing Body takes effective steps, if any financial irregularities arise	0.172019	0.274394	0.007341	0.800249
Internal Audit is done on a regular basis	0.954948	-0.12378	0.032622	0.115442
Audit Committee necessarily establishes financial discipline	-0.25436	0.214672	0.866808	-0.03324
In preparing annual budget, it is the practice to collect departmental budgets	0.367061	-0.59406	0.555261	0.043304

**Extraction Method:** Principal Component Analysis.

**Rotation Method:** Varimax with Kaiser Normalization.

a Rotation converged in 7 iterations.

For governance relating to the financial matters, we have made factor analysis, the results of which are presented in Table 5, 6, 7 and 8 respectively:

From table 7, it is seen that 75% of the variance is explained by the factors. Further from table 8, we see that 11 variables relating to financial governance as an important component of Governance are conjoined into 4 factors:

1. The first factor include the variables like Approval of Finance Committee's decision by Government, Decisions only after consultation with the Finance Committee and Internal Audit on a regular basis, having weightage of .869, .941 and .954 respectively. So, this may be termed as '**Financial Prudence**'.
2. The second factor includes the variables like Financial Strategy decided by the Finance Committee, and Governing Body does not interfere into day-to-day financial matters, having weightage of .755 and .771 respectively. So the factor may be termed as '**Independent Financial Strategy**'.
3. The third factor includes the variables like Financial Strategy is decided by the Principal in consultation with the Bursar, Audit Committee establishes Financial Discipline and in aggregate budgets, the departmental budgets get a prominent roles, having weightage of .716, .867 and .555 respectively. So the factor may be termed as '**Coherence Principle in Financial Governance**'.
4. The fourth factor includes the variable like periodic financial reviews by the Governing Body, and effective steps taken by the G.B., in case of any financial irregularities, having weightage of .842 and .800 respectively. So the factor may be termed as '**Role of Governing Body in Exceptional Financial Decision Making**'.

**Leadership:** Regarding leadership, we have taken the KMO Measure of Sampling Adequacy which was found to be .500 and Barlett's Test of Sphericity which was found to be significant (.000).

**Table 9: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.500
Bartlett's Test of Sphericity	Approx. Chi-Square df Sig.
	621.871 28 .000

**Table 10: Communalities**

	Initial	Extraction
The Principal/TIC motivates the staff of the institution for their improvement	1.000	.688
The Principal/TIC helps the staff to create confidence to take care of any situation that goes against the interest of the institution	1.000	.576
The Principal/TIC TAKES advice of those members who are close to him/her	1.000	.739
The Principal/TIC uses 'divide and rule' policy to run the institution	1.000	.878
To avoid criticism, the Principal/TIC sticks to holding just the minimum number of the Governing Body meetings in an academic session	1.000	.935
The Principal/TIC helps the staff so far as their promotion-related matters are concerned	1.000	.843
The Principal/TIC believes in participative style of leadership	1.000	.757
The Principal/TIC delegates authority	1.000	.531

**Extraction Method:** Principal Component Analysis.

**Table 11: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.599	32.485	32.485	2.599	32.485	32.485	2.191	27.386	27.386
2	1.991	24.893	57.377	1.991	24.893	57.377	2.147	26.837	54.223
3	1.358	16.970	74.348	1.358	16.970	74.348	1.610	20.125	74.348
4	.772	9.647	83.995						
5	.621	7.759	91.754						
6	.391	4.888	96.642						
7	.173	2.162	98.804						
8	.096	1.196	100.000						

**Extraction Method:** Principal Component Analysis

**Table 12: Rotated Component Matrix(a)**

	Component		
	<b>Participative Approach</b>	<b>Cooperation and Confidence Building</b>	<b>Motivation and Advise</b>
The Principal/TIC motivates the staff of the institution for their improvement	0.042118	-0.00352	0.828518
The Principal/TIC helps the staff to create confidence to take care of any situation that goes against the interest of the institution	0.6111	0.402392	-0.20212
The Principal/TIC believes in participative style of leadership	-0.08885	0.525061	0.675095
The Principal/TIC uses 'divide and rule' policy to run the institution	0.026909	-0.93367	-0.075
To avoid criticism, the Principal/TIC sticks to holding just the minimum number of the Governing Body meetings in an academic session	-0.96649	0.01491	0.02671
The Principal/TIC helps the staff so far as their promotion-related matters are concerned	0.100092	0.911524	0.043676
The Principal/TIC believes in participative style of leadership	0.791513	-0.069	0.354598
The Principal/TIC delegates authority	-0.48623	0.041249	-0.54126

**Extraction Method:** Principal Component Analysis.

**Rotation Method:** Varimax with Kaiser Normalization.

a Rotation converged in 7 iterations.

For leadership relating to the governance, we have made factor analysis, the results of which are presented in Table 9, 10, 11 and 12 respectively:

From table 11, it is seen that 75% of the variance is explained by the factors. Further from table 8, we see that 8 variables relating to leadership as an important component of Governance are conjoined into 3 factors:

5. The first factor include the variables like The Principal/TIC helps the staff to create confidence to take care of any situation that goes against the interest of the institution, The Principal/TIC believes in participative style of leadership, having weightage of .611, and .791 respectively. So, this may be termed as '**Participative Approach**'.
6. The second factor includes the variables like The Principal/TIC believes in participative style of leadership, The Principal/TIC helps the staff so far as their promotion-related matters are concerned, having weightage of .525 and .911 respectively. So the factor may be termed as '**Cooperation and Confidence Building**'.
7. The third factor includes the variables like The Principal/TIC motivates the staff of the institution for their improvement, The Principal/TIC believes in participative style of leadership, having weightage of .828, and .675 respectively. So the factor may be termed as '**Motivation and Advise**'.

**Role of Students' Union:** Regarding the role of students' union, we have taken the KMO Measure of Sampling Adequacy which was found to be .617 (>.500) and Bartlett's Test of Sphericity which was found to be significant (.000).

**Table 13: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.617
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	467.840
	15
	.000

**Table 14: Communalities**

	Initial	Extraction
The students' union takes active part in the day-to-day administration of running the institution	1.000	.670
The Principal/TIC allows the students' union to take active part in the day-to-day administration of the institution	1.000	.799
The Principal/TIC turns a deaf ear to prayer of the general students and encourages them to place their demands through the students' union	1.000	.725
The external Governing Body members give importance to the views of the students' union in the governance of the institution instead of relying on theviews of the Principal/TIC	1.000	.724
The Principal/TIC cannot take independent decision regarding any issue concerning the interests of the students until he/she gets some endorsement from the students' union	1.000	.685
Inclusion of the students' representative leads to better functioning of the Governing Body	1.000	.840

**Extraction Method:** Principal Component Analysis.

**Table 15: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.849	47.483	47.483	2.849	47.483	47.483	2.649	44.152	44.152
2	1.595	26.585	74.069	1.595	26.585	74.069	1.795	29.917	74.069
3	.682	11.363	85.432						
4	.401	6.691	92.123						
5	.333	5.548	97.671						
6	.140	2.329	100.000						

**Table 16: Rotated Component Matrix(a)**

	Component	
	Importance to the students' Opinion/ Students' Concern	Active Part/Role played by the Students' Union
The students' union takes active part in the day-to-day administration of running the institution	-0.17476	0.799873
The Principal/TIC allows the students' union to take active part in the day-to-day administration of the institution	-0.49001	0.747488
The Principal/TIC turns a deaf ear to prayer of the general students and encourages them to place their demands through the students' union	0.479579	0.703543
The external Governing Body members give importance to the views of the students' union in the governance of the institution instead of relying on theviews of the Principal/TIC	0.831046	-0.18306

The Principal/TIC cannot take independent decision regarding any issue concerning the interests of the students until he/she gets some endorsement from the students' union	0.822568	0.093529
Inclusion of the students' representative leads to better functioning of the Governing Body	-0.88386	0.243416

**Extraction Method:** Principal Component Analysis.  
**Rotation Method:** Varimax with Kaiser Normalization.

For the role of students' union relating to the governance, we have made factor analysis, the results of which are presented in Table 13, 14, 15 and 16 respectively:

From table 14, it is seen that 74% of the variance is explained by the factors. Further from table 16, we see that 6 variables relating to the role of students' union as an important component of Governance are conjoined into 2 factors:

1. The first factor include the variables like The external Governing Body members give importance to the views of the students' union in the governance of the institution instead of relying on the views of the Principal/TIC, The Principal/TIC cannot take independent decision regarding any issue concerning the interests of the students until he/she gets some endorsement from the students' union, having weightage of .831, and .822 respectively. So, this may be termed as '**Importance to Students' Opinion/Students' Concern**'.
2. The second factor includes the variables like The students' union takes active part in the day-to-day administration of running the institution, The Principal/TIC allows the students' union to take active part in the day-to-day administration of the institution, The Principal/TIC turns a deaf ear to prayer of the general students and encourages them to place their demands through the students' union, having weightage of .799, .747 and .703 respectively. So the factor may be termed as '**Active Role/Part played by the Students' Union**', which is quite alarming.

**Findings and Conclusion;** Therefore, in conclusion it can be said that in case of financial governance of sample HEIs, factors like financial prudence, independent financial strategy, coherence principle in financial governance and role of Governing Body in Exceptional Financial Decision Making play effective role whereas in case of leadership of sample HEIs, factors like Participative Approach, Cooperation and Confidence Building and Motivation and Advise play effective role and in case of the role of students' union as a part of governance of sample HEIs, factors like Importance to Students' Opinion/Students' Concern and Active Role/Part played by the Students' Union play effective role. This gives us a simple model of **Shared Governance as suggested by the Bologna Convention (1988)**. This study is similar to the studies in Uganda, Liberia and USA (Ksannes, 2007), as those studies also put stress on the role of bodies like managing committee or governing body in financial governance of the Higher Education Institutions in those countries.

**Some Recommendations on Governance of HEIs in India:** Based on the above analysis and discussions, the following recommendations are made on the Governance of HEIs in India :

1. New methods and procedures of financial regulations should be devised and direct interference of the finance department in the financial management of Universities, which is counter productive, should be stopped.
2. As the Colleges are the feeding sources of the Universities, a better coordination in their working and activities is very much required. The participation of the teaching faculty in through a democratic process should be ensured.
3. Complete transparency should be maintained in the working of Executive/Academic Bodies and other Governing Councils of the Universities.
4. Higher Education should be developed as an infrastructure for social and economic growth of the Country.
5. Students' involvement in the area of University/College governance should be encouraged, although upto a certain extent.



6. Political interference in the appointment of University teachers and administrators should be totally stopped.

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