

**DECENTRALIZATION OF THE  
MANAGEMENT OF HIGHER  
EDUCATION IN NEPAL**

**EXECUTIVE SUMMARY**

**1995**

Assessment of Tertiary Education

A HMG/Tribhuvan University/UNDP/World Bank Project

NEP/91/011

Kathmandu, Nepal

## List of the Studies Conducted by the Project

1. Manpower Needs of Nepal: A Review and Synthesis of the Literature
2. A Study on Current Tuition-Fee Waivers and Scholarships in Tribhuvan University
3. A Study on Financing of Higher Education in Nepal
4. Decentralization of the Management of Higher Education in Nepal
5. A Study on Regionalization of Higher Education in Nepal
6. A Study on Internal Efficiency in Tribhuvan University
7. A Study on Instructional Process in Tribhuvan University
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10. Space Survey in the Secondary Schools of Nepal
11. Teacher Availability Study
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13. Civil Works for Higher Secondary Schools
14. Facilities Required for Secondary Schools Upgradation
15. The Transition Plan for the Implementation of Higher Secondary Reform
16. Continuous and Comprehensive Evaluation for Higher Secondary Education
17. Curriculum Framework for Higher Secondary Education
18. SLC Results (1982-1991) Data by Districts and Projections for the Coming Decade

## PREFACE

This Executive Summary consists of the findings and recommendations made by a team of specialists who were commissioned by this project to undertake the study at the request of His Majesty's Government and Tribhuvan University to help the university as well as the Government to initiate institutional reforms and policy changes in tertiary education. This is one of the several policy-related studies sponsored by the project.

The Terms of Reference as well as the team of experts who conducted the study are given at the end of this publication. The full text of the report is, of course, voluminous and much longer than this summary. Those who are interested in the complete report may find copies of the report with the Planning Division of Tribhuvan University, the Higher Education Project, Tribhuvan University, Kirtipur, the Resident Mission of the World Bank in Nepal at Kathmandu and the United Nations Development Programme Library at Pulchowk.

10 December 1995

Kamal P. Malla  
National Project Coordinator

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## DECENTRALIZATION OF THE MANAGEMENT OF HIGHER EDUCATION IN NEPAL

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### EXECUTIVE SUMMARY

#### A. Introduction and Methodology

Higher education in Nepal can be summed up in two words: Tribhuvan University. It has been imparting higher education in the country through five technical institutes and four faculties with around 200 campuses about one-third "public" and two-thirds "private". The structure of the university also includes four research centres.

Tribhuvan University has grown dramatically in the last two decades. At present, it provides instruction to over one hundred thousand students at different academic levels, constituting around 99 percent of the total enrollment in higher education. With this increase in the range and size of the university, the complexity of its administrative mechanism has also grown, placing new roles and challenges before its management. It is obvious that such a rapid expansion would be rather difficult for any organization to accommodate.

There is a growing concern over the problems of relevance, accountability, management system and efficiency of higher education in Nepal. Several experiments were made in the past in the organization and management system of higher education. In recent years, certain aspects of university's management system have attracted pointed attention. These include the basic managerial efficiency in planning, decision making, communication and evaluation; the centralized administrative set-up; the weak information management system;

the ambiguities in role definitions and task structure; the institutional leadership of campuses; and procedural delays and increase in bureaucratization.

A contract was signed between CEDA and the Assessment of Tertiary Education Project of HMG/TU/UNDP/WB on December 14 1993 to conduct a study on decentralization of the management of higher education in Nepal. As mentioned in the TOR, the basic objectives of this study were to: (i) assess the present national plans and programmes providing a framework for higher education, (ii) analyse the existing legal framework of T.U., (iii) explore the most outstanding management and functional issues in T.U., (iv) review the current organization and management systems in the light of T.U. laws, (v) study the present practices of delegation and decentralization of authority, and (vi) suggest policy actions and recommendations.

To achieve the objectives of the study, a multi-staged data collection approach was adopted. The methods of data collection included: (i) desk research and survey of existing literature, (ii) field survey, (iii) meetings, discussions and staff clinics, (iv) expert opinion surveys, and (v) check-list and questionnaire administration. Six different sets of check-list/questionnaire were administered to faculty members, administrative staff, academic heads of units, top executives, policy-makers and opinion leaders. The overall response rate was around 64 percent.

## **B. Management of Tribhuvan University**

A diagnostic study of the university system and its administration was undertaken from the management perspective. The legal aspects, organization structure, management process, functional issues and organizational climate were studied and the existing problems and issues related to these aspects were assessed.

Tribhuvan University is a corporate entity created by law enacted by the national legislature. Therefore, the legal enactments have a great deal of impact on the functioning of the university system. The T.U. Act and the *T.U. Rules* have been instrumented in shaping its composition, structure, roles and relations, and also in regulating the course of its functioning.

The *T.U. Act, 1992* recognizes Tribhuvan University as an autonomous, corporate body. It is conceived as a collective structure of various organs like the University Council, the Academic Council, the Executive Council, the Service Commission, the Institutes, the Faculties, the Research Centres, the Central Departments, and the constituent and affiliated campuses.

As empowered by the *T.U. Act, 1992*, the University Council has very recently formulated three different sets of rules. These rules are (i) T.U. Organization and Educational Administration Rules, 1994 (ii) T.U. Teachers-Staff Service Rules, 1994, and (iii) T.U. Financial Management and Provident Fund Rules, 1994. These rules empower the Executive Council to formulate the management/working systems as the guiding procedures for the attainment of the objectives of the University and its organs.

T.U. laws have visualized reforms in respect of the organization, management structure, degree of autonomy, system of delegation of authority, and decision making process. The important features of the *Act* and *Rules* are as follow:

- a. Decision making authority has been dispersed down the line.
- b. Legal framework has been provided to encourage delegation of authority.
- c. Each unit is conceived as task focused, and the reporting centres as well as the responsibility centres are identified.

- d. The central management of the T.U. is conceived as a system of policy formulation, programme coordination, resource allocation and performance evaluation.
- e. The executive and academic functions are separated. This separation of functions is definitely a positive step towards discouraging the practices of making academic decisions on non-academic or executive considerations.
- f. Democratic norms are to be followed in evolving the governance system.
- g. Participative system of management is encouraged through representation of faculty and staff in committees and councils.

This study was undertaken at a time when the new rules were not fully in operation. Most of the operational units had not even read the new rules. Therefore, the assessment of these rules in terms of their effectiveness and their impact on actual operations could not be made. Those operational units which had received, the new rules had expressed their concern over the following matters as inadequacies of these rules:

- a. the legal inter-relationship between the Academic Council and the Executive Council,
- b. the relationships to be maintained among different bodies and
- c. the decentralization principles are not adopted in the case of academic bodies. The Subject Committees and the Faculty Boards are conceived just as recommendatory bodies.

The T.U. laws have been enacted and reviewed with a view to bring about desired improvements in the organization and administrative culture of Tribhuvan University. However, it has been found that their implementation has been very slow. Some of the strategic provisions, particularly of the *T.U. Rules*, still remain to be put into force even after eight months of their enhancement.

The University has yet to review its organizational structure and administrative practices in the light of the spirit of the new Act and rules. Many of the Committees and Councils still remain to be constituted. Similarly, the working rules regarding faculty development, resource mobilization, planning system, monitoring system, personnel administration, and delegation of authority etc. are yet to be developed.

A study of the structure and working of the central divisions and units reveals that their roles and responsibilities have to be redefined. This study has identified the following problem-areas in the organization and authority structure and the administrative practices in the University:

- a. lack of clear-cut definition of authority and responsibility among divisional chiefs and other staff members,
- b. lack of a framework of organizational relationship and reporting system,
- c. lack of appropriate control techniques and information networking,
- d. lack of integration between academic planning and resource planning,
- e. lack of coordination between the teaching and research functions.

The lines of authority in university administration at lower levels are often being questioned as the superior and subordinate are required to do more or less the same work. This indicates the need for analyzing the existing job classification system. The problem of over lapping levels of authority is also found in university administration. The task structure appears to be somewhat complex. This is because of too many committees to provide linkages between different functions. In such a situation, more productive time of the top executives is spent in coordination and conflict management.

The survey results revealed basic managerial issues associated with the University system. These issues can be summarized as follows:

1. The administrative set-up of the university is centralized. Decision-making authority is concentrated in the top hierarchy of administration to a great extent. Even minor decisions are processed through the central office.
2. No clear-cut definition of the scope, tasks, authority and responsibility of the divisions and units appears to have been laid down. This has resulted in considerable confusion and uncertainty in administration which has in turn impeded the process of streamlining it.
3. Campuses, academic programmes and projects have been rarely inspected by the central office. Thus, the supervisory and monitoring systems remain as underdeveloped.
4. Absence of effective communication among different divisions, campuses, projects, and between the central and campus administration has adversely affected their coordination.
5. Since the overall university system is centralised, the institutional leadership of campuses is inevitably weak, indicated by an inability of

the campus management to set the goals, targets and activity plans for the campus, set admission standards, and respond to labour market needs.

6. The Deans and Campus Chiefs have to inform and remind the central authorities of the academic problems they face at the operational level. There is no mechanism through which the central office could receive information regarding the operational problems.
7. Unnecessary delays, postponement and slackness in work have added negatively to university's objective of better education and quality research.

It is thus seen that delegation is limited and that decisions to an unnecessary degree are made at the top This practice has several implications.

1. Centralization and decision-making at the top increases the work-load of the executives tremendously.
2. Top executives get involved in routine work, leaving very little time for policy formulation and guidance, inter-divisional coordination, inspection, supervision and detailed appraisal of the operating units.
3. A tendency develops among the lower levels to avoid decision-making and shift their responsibilities upward. Even minor cases are referred to the higher level for decision and approval.
4. Centralization prevents local participation in higher education decision-making and in promoting educational development embodying consideration of the varied socio-economic conditions of different regions and specific local needs.

Tribhuvan University, therefore, urgently needs to address the following fundamental issues which are critical to the future success and effectiveness of the organization:

1. There is a widespread confusion about the separate roles and responsibilities of the officials in the administrative and academic hierarchy. This is the critical issue within the organization and has resulted in the following problems:
  - i) all staff members have become heavily involved in the detailed, day-to-day management, leading to slow decision making;
  - ii) the academic and administrative units give insufficient attention to the establishment of overall strategies for achieving objectives;
  - iii) staff morale is low because they are confused about their roles in the system.
2. The sub-systems of the university have not planned and fixed specific annual targets to achieve. This means:
  - i) staff efforts are not focussed on the achievement of predetermined targets;
  - ii) the emphasis is on procedures and not on performance;
  - iii) it is very difficult to determine whether the services and programmes are cost-effective;
  - iv) the performance of the sub-systems cannot be monitored.

3. The sub-systems and units are working as separate entities, but not as a tightly-knit team. This means:
  - i) there is insufficient coordination between the sub-systems and units;
  - ii) the sub-systems do not effectively integrate their efforts toward the achievement of the overall objectives of the system;
  - iii) the sub-systems do not get the satisfaction that they are part of the same system.
4. There is insufficient delegation of authority, responsibility and accountability down the organization. This means:
  - i) senior staff are spending too much of their time on detailed administrative matters;
  - ii) other staff are not being given clear targets and time-tables for achieving them;
  - iii) insufficient attention is paid to the strategic management of the university system by senior staff;
  - iv) the Deans and Campus Chiefs stationed outside the valley have to visit the central office frequently for timely sanctions and approval.
5. There is very little human resource development being undertaken. This means:

- i) the university system has yet to realize the relationship between human resource and productivity;
- ii) good people management practices are not fully understood;
- iii) staff members are not as effective as they could be.

### C. Higher Education in Nepal: Policies, Structures and Management Issues

Decentralization of management of higher education becomes desirable as the institutions grow in size and complexity. Inadequate opportunity for participation, lack of decision making authority at operational level, poor institutionalization, and lack of commitment among the staff and students may lead to poor performance causing discontent in administration and resentment among staff and students. At the same time, social pressures may also be felt for equitable distribution of higher educational facilities throughout the nation.

The policy statements made in the Eighth Five-Year Plan indicate the intention of the Government to (i) upgrade higher education in terms of physical and research infrastructure, (ii) encourage private sector to participate in higher education, (iii) make the educational institutions financially and managerially autonomous and self-reliant, (iv) decentralize the management of higher education through creation of universities in different regions and the UGC. These policy statements reflect a move away from the traditional system of state control toward a more competitive system with increased autonomy and a normative financing system for public resources.

The present status of policy implementation shows that the Government has so far attained some progress. It has developed the legal framework required for the decentralized management of higher education, and also for encouraging the private sector to participate in higher education sector

However, much remains to be done towards policy implementation. The schemes and strategies to implement the policy of upgrading higher education, phasing out the intermediate level education from higher education, and the financing, coordinating and evaluating criteria to be adopted by the UGC are yet to be worked out and finalized.

The problems facing higher education in Nepal are multi-dimensional. The issues that deserve the attention and consideration of the policy makers for the management of higher education are as follows:

- a. There is no clear vision regarding the mission or goals of higher education. It is very difficult to work out a strategy of decentralization in a state of confusion regarding the goals, objectives and priorities of higher education.
- b. The Transition Plan to phase out proficiency certificate level programmes to higher secondary schools has been developed. This plan still remains to be finalized by the Government. The 10+2 programme can gain little success so long as the universities keep on running the PCL programmes.
- c. The growth in population has been exerting pressure on educational institutions for enrollment. At present, the major thrust of education is towards general education where there are no job opportunities. There is the absence of a strategy to divert students to vocational/technical track by developing local and regional centres for such education.
- d. Over-enrollment is by no means the only issue in higher education. The distribution of enrollment among the five technical institutes and four faculties is not in accord with the development needs of the country.



- e. There is a growing concern over the problem of relevance, accountability and efficiency of higher education institutions. These are now being asked to help broaden the technological base of society, to restructure the output of graduates in relation to manpower needs, to broaden participation, to decentralize higher education facilities, and to extend its services to much larger sections of the community.
- f. An effective system of coordination, cooperation and quality control has always been a problem in higher education. These problems may become even more pressing under the decentralized system of education. Therefore, the concerned agencies like the UGC should be aware of the need for systems reform and take the lead in devising new approaches to remedy the existing problems and promote decentralization in higher education.

Multi-university system has now been a reality in Nepal. Establishment of new educational institutions is also a way to decentralize higher education. At least, this policy promotes geographical decentralization. However, a successful policy of decentralization in higher education would require answers to questions like: what should be the criteria and conditions for the establishment of new universities? How should they be financed? What policy should be adopted by the Government to promote decentralization? What criteria and mechanisms should be adopted by the UGC to monitor and evaluate their performance for the purpose of financing? What legislative framework should be developed to promote decentralized system of their internal management? Decentralization of the management of higher education may not be attainable without satisfactory answers to these questions.

#### D. Decentralization in Tribhuvan University

The decentralization policy and practices in Tribhuvan University were analysed by addressing the following issues:

- a. the provisions made by the existing Act and rules regarding decentralization and delegation.
- b. The concept of decentralization and its operational aspects as perceived by the policy makers and operational level staff.
- c. The attitudes and expectations of policy makers, operational level officials and other staff members regarding the structure of decentralization.

#### Delegation

The policies and regulations adopted by Tribhuvan University fully accept the concept and philosophy of delegation of authority as a mechanism of transferring required extent of power and authority from the top executives down the line. The *Tribhuvan University Act, 1992* (section 30) has made provisions for such delegation of authority. Similarly, the *Tribhuvan University Organization and Educational Administration Rules, 1994* have also laid down the procedures to be observed and the conditions to be met in the process of delegation of authority. The Rules, however, prohibit the delegation of authority in respect of : (i) approving the budget, (ii) hearing appeals, (iii) charging sanctions and punishments, (iv) awarding rewards, (v) granting financial assistance and donations, (vi) disposing immovable properties, (vii) awarding honorary degrees, etc.

The practices of authority delegation existing in Tribhuvan University were studied both at the central and operational levels. It was thus found that :

- a. The Executive Council had delegated some of the recurring tasks requiring routine decisions to the Vice-Chancellor, the Rector, the Registrar, and the Deans.

- b. The Vice-Chancellor had delegated some of his authority requiring routine decisions to the Rector on academic matters and to the Registrar on administrative matters.
- c. The Registrar had delegated some of his authority requiring routine decisions to the chiefs of the Fiscal, Personnel, General Administration, and Inspection Division.

The operating level executives (Deans, Executive Directors, Campus Chiefs, etc.), however, were not found to have delegated their authority to their subordinates. The respondents had multiple reasons for not delegating the authority.

- a. They themselves did not have enough authority which could further be delegated to their subordinates.
- b. The rules of delegation were not clear and specific regarding such delegation.
- c. The respondents had the fear that they would be held accountable for any misuse of the delegated authority by their subordinates.
- d. The subordinates were often not willing to accept the delegated powers.

An assessment of the existing practices of delegation of authority revealed the following facts :

- a. Delegation of authority was not widely practised in academic administration.

- b. The executives at the central level were in confusion in deciding what to delegate and what to retain with themselves.
- c. There was either unwillingness or lack of awareness on the part of operating level executives to delegate authority down the organization.
- d. There was a tendency on the part of subordinates to refer the delegated matters back to their superiors for their opinion and approval.
- e. The appropriate systems of supervision, evaluation, feedback were not developed even in cases where delegations were made. The use of delegated authority by subordinates was not properly monitored.

#### Decentralization : A Perceptual Analysis

In order to assess the perceptions of the policy-makers and operational level officials about the concept of decentralization, they were asked to give their ratings to the various concepts of decentralization. Both the groups were broadly in agreement about how they perceived the concept. The respondent groups considered decentralization in terms of : (i) clear definition and decentralization of power and authority down the organization, (ii) full authority in mobilization and utilization of resources raised locally, and (iii) flexible academic management capable of self-direction and correction.

To the question on the functional strategy of decentralization and the extent of their agreement on each of the strategic options, the summarized responses were as follows :

- a. of the four strategic options given to policy-makers, the "block-grant system" received the highest rating as the best functional strategy to be

adopted by the university. Their second preference was "full autonomy" option.

- b. The operational level executives, on the other hand, gave the highest rating to the option on "full autonomy" as the right functional strategy towards decentralization.
- c. The respondents from the Research Centres preferred the "block grant" option.
- d. The "Management Committee" option was rated as the third strategic option of their preference for decentralization by both the groups.
- e. Both the groups, however, totally rejected the "privatization" option as a decentralization strategy with the lowest possible rating.

The respondents opined that the operational level had very little or no autonomy in matters relating to (i) fixation of work-load, (ii) adjustment of working days, and (iii) termination of temporary staff. They, however, mentioned that operational level had partial autonomy in matters relating to : (i) appointment of temporary staff, (ii) reward and punishment to staff, (iii) criteria of student admission. They mentioned that as these aspects were subject to the approval and scrutiny of the centre, these were partially decentralized.

#### **Decentralization Practices**

A study of the *TU Act 1992* and the *TU Rules, 1994* indicate the following regarding decentralization of authority in the University system:

- a. The Deans of Institutes and Executive Directors of Research Centres have independent decision-making authority in regard to granting study leaves, budgetary adjustments through transferring funds from

one head to the other, transferring staff within the institute etc. The Deans of the Faculties do not have any administrative and financial authority. Thus, the faculty affairs have been totally centralized.

- b. The Campus Chiefs have autonomy to decide upon the following : (i) recruitment of temporary staff, (ii) grade increments to staff as rewards, (iii) admissions criteria, (v) extra fees to be charged to students, and (vi) generating and utilizing local resources.
- c. Though some decision making authority is given to operational level executives by the rules, these are in some cases, withheld by the centre prohibiting them from using such authority.
- d. The academic decision making is highly centralized in Tribhuvan University. The Subject Committees, the Research Committees and the Faculty Boards do not have any decision-making power. They are simply functioning as recommendatory bodies.
- e. The Heads of Central Department do not have any financial, administrative and academic authority entrusted to them by the *Rules, 1994*.

#### **Desired Extent of Decentralization**

An opinion survey was undertaken with a view to know the respondents' opinion regarding the extent of decentralization desired. A 52 item check-list was designed to survey the opinions of the three groups of respondents (teaching staff, administrative staff, and policy-makers). The 52 items included in the check-list were then categorized into three functional areas : (i) academic, (ii) financial, and (iii) administrative.

The responses obtained on different items of the check-list were broadly categorized into different groups as: (i) authority to be entrusted to Campus Chiefs, Deans and Executive Directors, (ii) authority to be shared between Deans and Campus Chiefs, (iii) authority to be shared between Campus Chiefs and the centre, and (iv) authority to be retained by the centre,

- a. The respondents suggested the following authority to be entrusted to campuses : (i) recruitment and termination of temporary staff, (ii) reward and punishment to staff, (iii) granting permission to work outside, (iv) duty-hours and overtime, (v) holidays, (vi) criteria of student admission, (vii) number of shifts to operate, (viii) student evaluation system, (ix) student fees, (x) payment of gratuity and medical expenses to staff, (xi) generating local resources, and (xii) utilizing the funds raised locally.
- b. As opined by the respondents, the following items of authority should be decentralized to the Deans : (i) transferring staff within the institute/faculty, (ii) faculty development programmes, (iii) conducting final examinations, (iv) curriculum development, (v) awarding mini-research projects, etc.
- c. The respondents agreed that the following items of authority should be retained by the central executives for better coordination and performance evaluation : (i) transferring staff across faculty/institute, (ii) annual academic calendar, (iii) formulating academic standards and policies, (iv) evaluating the performance of campuses, (v) withholding research grants, (vi) salary scales, (vii) developing perspective plans with regard to academic, financial, research activities, etc.
- d. The respondents suggested the following items of authority as the areas of mutual consultation and joint decision making : (i) organizing

seminar/training for teachers and staff, (ii) granting sabbatical leave, (iii) student tours, (iv) planning for physical facilities, (v) constituting campus level committees, (vi) codes of conduct for student and staff, (vii) budgetary transfers etc.

This analysis indicated gaps between the "existing" and "desired" level of authority structure. The University should, therefore, move further towards decentralization. More autonomy and decision making authority should be given to the operational levels in terms of : general administration, staff management, resource mobilization, student enrollment, salary scales and incentives, faculty development programmes, financial examinations and resource planning.

#### **E. Decentralization of the Management of Higher Education in Nepal ; A Proposed Plan of Action**

Developing an action strategy for decentralization of the management of higher education is not just a mechanistic and dirigist exercise of granting autonomy to academic institutions. It is rather a systematic management activity and an institution-building process to guide long-term educational development, assess risks and constraints, and seek alternative ways to ensure long-term viability of such institutions and improve their efficiency, quality and pertinence by providing them the support of policy. This study proposes action strategies for : (i) organizational reforms in Tribhuvan University, and (iii) decentralization in Tribhuvan University.

#### **Decentralization of Higher Education**

There are two broad governance models that the Government can consider in managing the higher education sector :

- a. The State Control Model in which the system is created by and is entirely funded and regulated by the State.
- b. The State supervision model in which the State decentralizes the management of educational institutions and encourages private institutions to develop.

Nepal has already tried the first model during the National Education System Plan - Period. After many years of trial, it was realized that State control of higher education is neither feasible nor desirable. The other policy option left for the Government is, therefore, the State supervision option.

Decentralization has at least two common meanings : geographic decentralization (referring to the location of educational units or offices), and decentralization of authority (referring to the organizational level vested with authority to make decisions). Both these concepts of decentralization are equally relevant for Nepal. The first concept would bring the various levels and parts of higher education in line with the local or regional conditions, needs and resources with obvious advantage that fine-tuning is achieved between a decentralized unit and local circumstances.

The second concept emphasizes the institution-building framework characterized by clear definition of objectives and emphasis on achieving them, defining systematic characteristics and constraints, establishing criteria of efficiency, optimizing results, making timely decisions, and evaluating and learning from experience. This managerial framework would work only when enough autonomy is offered through the act and regulations for innovative work.

- a. The objective of decentralization of higher education should be to promote quality, efficiency, equity, pertinence, and resource generation.
- b. The National Planning Commission should initiate an effective manpower planning in view of the requirements of the agricultural, industrial, service and other sectors at the local, regional and national levels. It should : (i) evolve a system of categorizing all human resources engaged in different sectors and assess the dimensions, (ii) identify and prepare an exhaustive list of the existing agencies that are engaged in developing these categories of people, (iv) assess the adequacy or inadequacy of these agencies, (v) prioritize the HRD needs (vi) prepare a blueprint and a strategy for developing these human resources, and (vii) prepare a plan of decentralization for creating educational institutions in view of these needs.
- c. The Ministry of Education should develop a Master Plan of translating these HRD plans and priorities into action. Appropriate policy measures need to be initiated at the national level for ensuring even distribution of enrollment across different regions through creation of regional centres of education so that the benefits of higher education could be extended to all parts of the country. A plan should be worked out and regional institutions be developed for expansion of vocational education in the country. The educational institutions should be granted autonomy to decide upon the manner in which block grants are to be utilized for realizing their which block grants are to be utilized for realizing their objectives. Institutions require this flexibility to cross-subsidize programmes, launch new initiative, and programmes. The Universities should be encouraged and empowered to mobilize revenues from sources such as fees, donations, contract research etc.

- d. The University Grants Commission should realize that a diversified resource base is the best guarantee of institutional autonomy. Autonomy remains largely an empty concept as long as institutions are dependent on a single government funding source. Along with increased autonomy, higher educational institutions also need to be held accountable for their academic and management performance. This involves monitoring the quality of training and research outputs, the relevance of their programmes, and their use of public subsidies. The UGC should, therefore, develop performance -based allocation mechanisms to foster efficient use of public resources.

#### Management Reforms in Tribhuvan University

Effective management of educational systems depends to large extent on effective management of its constituent units and in developing proper culture and self-renewing capabilities. Paying attention to goals, objectives, and targets; conducting self-renewal exercises periodically; paying attention to staff development; enhancing accountability through individual activity plans, performance appraisals and participant evaluation procedures; establishing and reviewing societal linkage; and having courage to liquidate defunct units are some of the ways in which Tribhuvan University can be strengthened and made effective.

The management and organizational reform programme in Tribhuvan University should aim at the following :

- a. to develop the Institutes, Faculties, Research Centres and Campuses as financially self-reliant entities,
- b. to bring managerial and cost effectiveness in campus administration in terms of operational plans, staff utilization, timely decision-making, leadership, staff satisfaction etc.

- c. to make the best use of the resources of the campuses in their best interest,
- d. to work out, develop and implement systematic reforms in administration,
- e. to redefine and reallocate authority and responsibility of the divisions and other units attached to the centre,
- f. to enable central administration to perform policy-planning, monitoring, supervision, and evaluation functions, and
- g. to encourage local participation in promoting educational development.

To attain the above objectives, the following reforms and improvements should be made in the management system of the University :

- a. Organizational reforms in terms of redesigning the present organizational system to be able to move towards institution-building framework.
- b. Implementation of the new rules and regulations, organize the workshops for officials and executives to socialize them with the new rules, and monitor to implementation to ensure smooth and faster transition.
- c. Supervision and evaluation system should be developed and the University should move away slowly from the existing "no appraisal" culture to "appraisal" culture and ultimately to a "planning, reviewing and developing culture".

- d. Staff utilization and development activities should be initiated to ensure improved ability and productivity.
- e. Cost-effective systemic improvements in terms of building planning capacity, streamlining of methods and procedures, setting objectives and targets, designing monitoring, control and evaluation systems, and developing computer-based management information system should be initiated.
- f. Work culture must receive considerable attention. It must be recognized that people working in the university administration have acquired specific personality traits and work habits that cannot be modified at short notice. The University should aim at shifting from the existing culture of control and dependence to the culture of achievement and commitments.
- g. Establishing and renewing environmental linkages is essential for promoting self-sustaining academic units. The University, at present, has strong boundaries and has ended up undertaking routine teaching and research functions. It should develop mechanisms by which its members interact with the environment and be alive to its needs.

#### **Decentralization in Tribhuvan University**

The strategy of decentralization should be implemented phase-wise to ensure effective adoption. The strategies of decentralization should be implemented in four different stages, each stage having a time-frame of one to two years. The four stages are: complete execution of the TU's new rules, partial autonomy, full autonomy and privatization. In the first stage, all the activity centers should be allowed to adopt the new rules. In the second, authorities relating to student admissions criteria, examinations, budgetary

transfers workload determination etc. should be decentralized. In the third phase, activity centers should receive block grants only from the centre and should be made accountable for mobilizing local resources through student fees and other sources. In the fourth stage, the option of privatization may be undertaken precisely at the desire of the management committees of the activity centers.

As an alternative strategy, some units representing all or some faculties may be selected and granted full autonomy. The same strategy may be adopted in the case of Technical Institutes and Research Centers. This will help assess the pros and cons of the strategy more effectively and design decentralisation to suit the specific needs, challenges and expectations of higher education in the country.

**TERMS OF REFERENCE FOR  
A STUDY ON DECENTRALISATION OF THE MANAGEMENT OF  
HIGHER EDUCATION IN NEPAL**

**Background**

The central offices of Tribhuvan University are nearly always bogged down with problems relating to a specific campus, institute/faculty or department mostly facing a beleaguered state so that the chief executives have barely any time to reflect and decide on crucial issues of policy and planning or monitoring and evaluation of plans and programmes of institutional reforms. This state of affairs is largely due to an oversized and overcentralised administration and management practices.

**The Scope of the Study**

The proposed study will investigate the problems of management and administration of higher education in general and of Tribhuvan University in particular so as to make it more effective, efficient and economical. The main focus of the study will be policy-making, planning, programme implementation, monitoring and evaluation of various major programmes of institutional reforms launched so far in Tribhuvan University.

**Expected Output of the Study**

1. The study will analyse and evaluate the existing laws, regulations, statutes, and by-laws as well as actual practices of policy formulation and decision-making at various levels, including the existing organizational structure, planning process, decision-making,

budgeting, staff levels and performance capabilities and communications system for planning and management.

2. The study will assess the extent of delegation of powers at appropriate levels for all types of management functions.
3. The study will assess the extent of decentralisation/centralisation of authority/power in principle as well as in practice and on how these actualities affect programme implementation and institutional goals of higher education.
4. The study will assess the reasons for the current practices wherever they are at variance with the principles laid down in the acts, laws, regulations, statutes and other manuals.
5. The study will identify the most critical issues in the management of higher education in Nepal.
6. The study will explore various available policy options before HMG, Tribhuvan University, the National Planning Commission and other top-level decision-making bodies.
7. The study will make specific and concrete suggestions to tackle the most outstanding management issues, including institutional objective-setting by Tribhuvan University, its institutes/faculties, campuses, research centres, and graduate departments.
8. The study will review the current TU system in the light of the New TU Act 1992 so as to decentralise enough authority at appropriate levels in order to



- a. initiate faculty development programmes
  - b. set admissions and other academic standards
  - c. design and administer more reliable examinations
  - d. recruit and dismiss temporary staff
  - e. raise funds at local level
  - f. evaluate staff performance to reward and punish
  - g. adjust course contents and orientation according to local needs.
9. The study will identify and define any other types/nature of powers/authority (academic, administrative or financial) that need to be decentralised/delegated.
  10. The study will identify the level and the powers that should be delegated and justify why.
  11. The study will use, among other tools of investigation, field-work, questionnaire, interview, and the literature review for the investigation of various ramifications and dimensions of the problems of centralisation/decentralisation.
  12. A seminar/workshop will be organised for all those interested in and involved in the management of higher education, based on the study so as to disseminate its major findings.

The study will last for 6 months.

**Research Team and Budget for the study on  
*Decentralization of the Management of Higher Education in Nepal*  
 Executed jointly by Centre of Economic Development and Administration  
 in collaboration with  
 the Central Department of Economics and  
 the Central Department of Management.**

Budget : NRs 7,38,500.00

Duration : 6 months; effective from December 14, 1993

Final Report to be submitted on June 14, 1994

Submission of Final Report on February 1, 1995

**STUDY TEAM**

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## ANNEX I

### PLAN OF ACTION

In order to improve the management system and its effectiveness in Tribhuvan University, following policy options and plan of action have been recommended.

One of the major problems hindering the smooth operation of the University system is over-concentration of decision authorities at the center making the functional units less effective, as has been discussed in various sections above. This has eluded the top management from providing due consideration to fundamental goals of university education and bogged down in petty issues, day-to-day affairs and problems. In order to bring departure from this situation and to rail the higher education system in a purposive and conducive way, the existing management system should be revamped, decentralisation processes introduced and overall organisational structure and management systems improved to attain the goals of higher education. The four stages of decentralisation should be as mentioned below and each stage should be accomplished within a timeframe of two years. After each stage, proper monitoring and evaluation should be conducted to ensure effective implementation of the decentralisation strategies.

Stage 1 (First 2 years)	Stage 2 (Second 2 years)	Stage 3 (Third 2 years)	Stage 4 (Fourth 2 years)
Implementation of existing rules and regulations	Management committees partial autonomy	Management committees full autonomy block grants	Privatization

### **Stage I: Implementation of Existing Rules and Regulations**

The TU Act 1992 and the Rules formulated thereunder provide a useful basis for improving the managerial efficacy of the university by decentralizing authority and activities. The provisions generally entail unit level planning, financial decentralisation of resources generated by the unit and in staff hiring and deployment. However, till now the rules have not been properly implemented as discussed in various sections earlier. Non-constitution of committees, non-operationalisation of committees and mechanisms and restraint put on some authorities like hiring of administrative personnel are some illustrations of hindrances in application of new T.U. rules. It should also be noticed that people wielding authorities must be able to discharge responsibilities and be accountable. To make this, units should be made responsible to (a) specific authorities, agencies (b) report and (c) provide explanations, assessments. If these mechanisms are adopted, then effective decentralisation can be made. In the first stage, following authorities should be decentralised according to the nature of units.

#### **A. Heads of Central Departments:**

- 1 Objectives and target setting
2. Number of students to be admitted
3. Number of shifts to operate
4. Mobilization and Utilisation of resources raised locally

#### **B. Campus Chiefs:**

1. Recruitment of temporary staff
2. Grade Increments to staff
3. Disciplinary actions against students, teachers and staff

4. Number of students to be admitted
5. Extra-fees to be charged to students
6. Resource mobilization
7. Accepting resignation of staff
8. Student fees

#### **C. Deans of Institutes:**

1. Transferring staff within the Institute
2. Granting study leave
3. Organizing and conducting examinations
4. Designing and reviewing curricula
5. Budgetary transfers
6. Printing syllabus
7. Entrance tests, admission criteria
8. Annual/Semester Examination

#### **D. Deans of Faculties:**

1. Curriculum Development
2. Printing of Syllabus
3. Conducting Ph.D. Programmes
4. Coordination of Subject Committees
5. Review academic programmes and work for qualitative improvement of such programme
6. Supervision and monitoring of academic programmes, campuses

#### **E. Executive Directors:**

1. Granting study leave
2. Budgetary transfers
3. Undertaking research projects sponsored by outside agencies

4. Signing agreements with outside agencies
5. Seminar and training programmes
6. Grade increments to staff
7. Disciplinary action against staff
8. Accepting resignation of staff
9. Annual research and training calendar

### Stage II: Management Committees Partial Autonomy

In the second stage, partial autonomy should be granted. For this, a management committee should be constituted in each campus, as provisioned in T.U. rules. It should be organised at all campuses within 2 years. The steps of partial autonomy may be introduced stage by stage on a periodic basis. For the selection of campus/units, following criteria may be adopted:

- a. Size of students, volume of activities.
- b. Performance of the unit.
- c. Generation of income
- d. Capability to raise funds.
- e. Regional perspective.

In the second phase, following activities need to be decentralised:

#### A. Heads of Central Departments:

1. Duty hours and overtime
2. Criteria of student eligibility to appear in final examination
3. Granting permission to work outside

#### B. Campus Chiefs:

1. Objective and target setting of the campus
2. Number of shifts to operate
3. Mobilization and utilization of resources raised locally
4. Termination of temporary staff
5. Rewarding staff members

#### C. Deans of Institutes:

1. Objective and target setting
2. Research projects (Mini)
3. Receive donations and grants
4. Faculty development programmes
5. Sabbatical leave

#### D. Deans of Faculties:

1. Objectives and target setting
2. Planning of academic programmes
3. Research projects (Mini)
4. Receive donation and grants
5. Faculty Development Programme
6. Study leave/sabbatical leave
7. Entrance test/admission criteria
8. Budgetary allocations

#### E. Executive Directors:

1. Objective and target setting
2. Granting sabbatical leave
3. Granting permission to work outside

4. Duty hours and overtime
5. Authority to receive grants and donations
6. Appointing temporary/contract staff at all levels
7. Recommend termination of staff

**F. Campus Chiefs of Lead Campuses:**

1. Assist Cluster campuses with books, reading materials, teaching materials, equipment etc
2. Mobilize local resources
3. Utilize resources raised locally
4. Develop teaching materials
5. Allocation of research funds

**Stage III: Management Committees Full Autonomy**

Full autonomy will entail total financial, administrative autonomy and freedom in academic areas within the framework of T.U. rules and regulations.

The basic characteristics of this phase will be,

- (a) power/authorities will be basically centered with the management committees and unit administration.
- (b) they will comply with the university academic programme and evaluation.
- (c) unit level administration and fund management will be conducted at the unit level itself.

The following processes will involved,

- (a) providing block grants to the units.
- (b) units will decide fee scale, generate local resources and prepare budget on its own.
- (c) teacher, student administration, workload, incentives, allowances, placement, and disciplinary action will be decided at the unit level itself.
- (d) manpower planning and development will be also done at the unit level.
- (e) the unit will conduct examination and evaluate papers. Scrutiny will be done at regional centers and will send the result to the center.
- (f) academic inputs will be decided at the unit level itself.

The authorities to be decentralised during this phase are specified below:

**A. Heads of Central Departments:**

1. Student fees
2. Appointment of temporary staff
3. Termination of temporary staff

**B. Campus Chiefs:**

1. Determination of workload
2. Duty hours and overtime
3. Budget preparation and execution
4. Faculty Evaluation system
5. Payment of gratuity, medical expenses and pension
6. Provident Fund loan
7. Leasing out unused campus land and property
8. Fixing salary scales and incentives

**C. Deans of Institutes:**

1. Planning for physical facilities
2. Resource planning
3. Annual Academic calendar
4. Rewarding the campuses

**D. Deans of Faculties:**

1. Planning for physical facilities
2. Resource planning
3. Annual academic calendar
4. Annual Examinations
5. Rewarding the campuses

**E. Executive Directors:**

1. Planning for physical facilities
2. Resource Planning/allocation
3. Granting provident Fund loan.
4. Granting gratuity and medical expenses
5. Budgetary allocation of the block grants received from the centre
6. Fixing salary scales and incentives

**F. Campus Chiefs of Lead Campus:**

1. Supervision of satellite campuses
2. Conduct annual examinations
3. Check answer scripts and submit the marks-foils to COE
4. Curriculum development in view of the regional needs

**Stage IV: Privatization**

The units may be left completely to the private sector ownership and management. The university system will provide affiliations and the internal management including manpower hiring, promotion, discharge etc. will rest on the respective centers. However, this suggestion may not be agreeable to the people and hence recommended as an option only.

**Policy Options:**

Two policy options may be followed to implement the decentralisation scheme.

1. The recommended Plan of Action may be applied uniformly across the border on the stagewise basis. However, smaller units or units located at remote areas may not be able to operate on equal footing and hence the option may not be effective.
2. Secondly, specific units may be selected and granted autonomy on stagewise basis as per the capacity and aptitude of these specific institutes. For this, the criteria suggested earlier may be adopted for the selection. However, it may be appropriate to adopt the following steps:

In order to implement decentralization strategies, alongwith the general approach suggested earlier, test cases may also be selected. While selecting test cases, representations from all faculties may be made. However, concurrence of such campuses need to be taken and in view of the potentiality and capability, it may also be phased in two or three year basis. The candidate campuses for the first phase may be:

Shanker Dev Campus (Faculty of Management)  
Ratna Rajya Campus (Faculty of Humanities)  
Amrit Campus (Institute of Science and Technology)  
Nepal Law Campus (Faculty of Law)  
Mahendra Ratna Campus (Faculty of Education).

It is not necessary to represent all faculties/institutes at the same time. In the second phase, regional centers may be brought under the scheme and finally multiple campuses and other centers.

For the selection of units, however, capability assessment will have to be made. Even after decentralisation, periodic monitoring and performance assessment should be carried out to ensure successful implementation of the scheme.

After reaching stage III, the role of the center will be confined to academic betterment, coordination, external linkages and partial fund management, and monitoring and evaluation.

#### **Implementation Strategy**

In certain situations, the units may not agree to discharge decentralized authorities. It has been generally noticed that people are eager to take positive authorities but unwilling to enshoulder authorities having negative connotation like disciplinary actions, punishments etc. In certain cases, they are not ready to take the authority where they may have to face students and generally like to pass on to other levels. To, encounter such situations, decentralisation of authority must be associated with specification of accountability and duties as have been suggested. Secondly, implementation of strategies should be made on discernible basis by selecting willing and capable candidates. Finally, the centre must strengthen its monitoring, reviewing and auditing capabilities and

periodic assessments should be made. If these are done, the strategies may attain greater success.

A. Successful decentralization schemes requires:

- a. full commitment of the government and political leaders
- b. an implementation strategy and time table
- c. clear operational manuals and procedures
- d. continuous training for the skill levels to be performed at the central and decentralized units.
- e. relevant performance indicators to be continuously monitored.
- f. adequate financial, human and physical resources to sustain the process.

B. In order to translate the centralized policies into decentralized strategies, it is imperative to establish:

- a. monitoring and communication linkages between the control and decentralized units.
- b. a relevant, accurate, timely, and usable management information system to implement the monitoring procedures.
- c. Decentralization in the education sector often requires a lengthy period of gestation before it starts generating expected benefits.
- d. Incentives and dis-incentives should be built into the decentralization process to stimulate the good performance of operating units and discourage inefficiency and mis-management.
- e. Decentralization processes require continuous monitoring by policy-makers and senior officials for them to promptly implement corrective and/or preventive measures.

Assessment of Tertiary Education is a project sponsored by UNDP under a grant signed with HMG in August 1992 and executed by the World Bank in collaboration with HMG and Tribhuvan University. It is designed as a self-study focussed on five major areas: structure, management, financing, quality and the physical facilities of tertiary education. Its main objectives are:

1. to make tertiary education cost-effective and relevant to the national goals of development of human resources and macro-economic growth.
2. To prepare a policy framework for the next decade for tertiary education sector in Nepal, including affordable and alternative financial and policy scenarios for implementation by HMG and the universities

The self-study is designed to address specific policy-related issues and deliberate on and disseminate their findings among the policy-makers, planners, the university faculty and management.

All the studies are conducted almost entirely by national experts from the Tribhuvan University faculty.

The list of major studies sponsored by the project is given in the inside front cover.