

TRANSFORMING THE ORGANIZATION AND GOVERNANCE OF UNIVERSITY: A CASE STUDY OF UNIVERSITI MALAYSIA TERENGGANU (MENTRANSFORMASIKAN ORGANISASI DAN TADBIR URUS UNIVERSITI: KAJIAN KES DI UNIVERSITI MALAYSIA TERENGGANU)

FAUZIAH ABU HASAN, IBRAHIM KOMOO, MOHD NAZLI MOHD NOR* AND ZAILANI ABDULLAH

Universiti Malaysia Terengganu, 21030 Kuala Terengganu, Terengganu.

*Corresponding author: nazli@umt.edu.my

Abstract: The knowledge revolution of the late 20th and early 21st centuries has demanded that universities change and transform themselves to be relevant and cope with the changing scenarios. Many issues concerning the higher education sector including funds for research, curriculum relevance, marketability of students and rankings have dominated discussions amongst the various stakeholders. Universiti Malaysia Terengganu (UMT), being a young public university in Malaysia has had its fair share of challenges. In order to energize and streamline the governance of the university hence making it more competitive and effective, UMT had embarked on a massive restructuring exercise in 2012. Amongst the unique characteristics of the new structure are the establishment of a center for talent development and management for academics; consolidating the management of the departments of undergraduate and postgraduate; transforming faculties into more discipline-based and sector focused schools; and forming a new center for transformation and risk management. Early feedback showed that the new structure is well received, had reduced bureaucracies and resulted in better management of financial and human resources.

Keywords: Organizational change, management, university.

Abstrak: Revolusi pengetahuan pada akhir abad ke-20 dan awal abad ke-21 telah menuntut universiti untuk berubah dan ditransformasikan agar lebih relevan dan mampu bergerak seiring dengan perubahan senario semasa. Antara isu yang berkaitan dengan sektor pendidikan tinggi adalah seperti dana penyelidikan, relevan sukatan kurikulum, kebolehpasaran pelajar dan isu kedudukan (ranking) menjadi topik utama perbincangan antara pemegang taruh-pemegang taruh. Universiti Malaysia Terengganu (UMT), antara universiti termuda di Malaysia mengalami cabarannya yang tersendiri. Bagi menyelaraskan tadbir urus universiti agar lebih berdaya saing dan kompetitif, UMT telah melaksanakan penstrukturan semula besar-besaran bermula tahun 2012. Antara ciri-ciri unik penstrukturan baharu adalah mewujudkan pusat bagi pembangunan dan pengurusan bakat akademik; menggabungkan pengurusan jabatan pra dan pasca siswazah; mentransformasikan fakulti kepada Sekolah yang berasaskan "multidiciplinary"; dan membentuk pusat bagi pengurusan risiko dan transformasi. Maklum balas awal menunjukkan struktur baharu dapat diterima pakai dengan baik dan berlaku pengurangan masalah birokrasi yang membawa kepada pengurusan kewangan dan sumber manusia yang lebih baik.

Kata kunci: Perubahan organisasi, pengurusan, universiti.

Introduction

Being a relatively young university, it is imperative for Universiti Malaysia Terengganu (UMT) to attempt in transforming its organizational and governance structure to ensure the sustainability and survivability

in the future. In order to face the numerous issues and challenges, the old way of doing business are no longer valid. UMT must quickly adapt itself with the current societal needs and this can be done not through mere restructuring but through a transformational

program that will involve all units in the university. Tischler, Biberman and Alkhafaji (1998) differentiated between restructuring and transformation whereby restructuring is a more traditional, incremental change and transformation is when a majority of the people involved fundamentally change their attitudes. Restructuring is only focusing on the governance structure and normally affects the line of authority in the organization. The main focus of restructuring is to enhance the decision making process so as to create more efficient and effective organisation. On the other hand, transformation is broader than restructuring. The transformation process involves all aspects of organisation, such as human resource, finance, other resources and the organisation business process. Thus, restructuring is part of the transformation process. Transformation could change the organization entirely and create more competitive organisation.

Krücken and Meier (2006) noted that higher education management in many countries does not meet global standards while in developing countries the professional training of higher education leaders is still poor (Teferra & Altbach, 2004). The need for better management of universities for more effective decision making was specifically stated by the University Grants Commission in the United Kingdom. Dearlove (2002) believed that universities are more innovative in incremental changes but were cautious in executing systemic change across the whole of an institution. Small and piecemeal changes to the structure of governance will impede the universities' need to adapt and change in line with demands that universities' management be more effective and efficient in meeting the needs of its various stakeholders. Transforming the governance of the university is the way forward to ensure that real strategic changes are enacted to make universities as hubs of generating knowledge and innovation.

This paper aims to review the transformation process in UMT, one of the government funded universities in Malaysia

and to investigate either the transformation process could enhance the effectiveness and efficiency of it's governance process. Our findings show that it does increase the management effectiveness in decision making thus accelerate implementation of the required actions. The paper begin by outlining the challenges faced by UMT and why it is important for UMT to transform. Next, we discuss the transformation process in UMT and how this transformation affects the whole university's governance structure. Finally, the outcome of the transformation process is discussed.

Literature Review

Need for Transformation at Universiti Malaysia Terengganu (UMT)

Transformation in the structure of governance has been done in many universities throughout the world. Mostly, the governance of Malaysian universities since independence can be traced back from the colonial roots of the British higher education system. In Malaysia, the need for this transformation was felt by the universities but the degree of transformation that was embarked upon varies from minimal to comprehensive. The continuous transformation of universities will ensure a more holistic human capital development that will produce Malaysians that are intellectually active, creative and innovative, ethically and morally upright, adaptable and capable of critical thinking.

The impetus for transformation of Malaysian universities came from many different sources. The Ministry of Higher Education in 2007 launched the first phase (2007-2010) of the National Higher Education Strategic Plan (PSPTN) and in 2011 launched the second phase (2011-2015) of the plan. The plan consists of 23 Critical Agenda Projects (CAP) which amongst them includes governance and leadership in universities. In the governance CAP, the objective was to strengthen the governance structure of

local universities to be at par with reputable overseas universities. Good governance is seen as an important instrument for Malaysian universities to develop and excel especially at the international level.

In 2010, the Malaysian government initiated the Economic Transformation Program (ETP) that aimed at making Malaysia a high income country by year 2020. The goal of this plan is in line with Vision 2020 that was introduced in 1991 with the objective of achieving an industrialized nation status by the year 2020. An important prerequisite to attaining the goal of a high income, industrialized nation status is having a world-class education system especially at the tertiary level. The number of public universities in Malaysia has grown from five in the 1970s to 20 by the year 2006. Universities in Malaysia have grown in terms of staff and student population. In 2011, the total enrolment of undergraduate students in public universities in Malaysia was 508,256 students and the number of academic staff was 29,198 (Ministry of Higher Education Malaysia, 2012). ETP and the Government Transformation Plan (GTP) had addressed the need for a higher education environment that can foster the development of academic and institutional excellence in an attempt to secure Malaysia's position as a global education hub.

In terms of governance, Malaysian public universities have the same structure at the top level of administration. All the universities are led by the Vice-Chancellors and they are assisted by the Deputy Vice-Chancellors. However, the structure of organization and hence governance at the faculty, colleges or schools differs among the universities. Some universities have embarked on the transformation and restructuring of the various educational administrative units to ensure that teaching and learning, research and publication will continue to thrive and strengthen the universities' contribution towards economic growth and prosperity. New knowledge created by the universities' research will spur new innovative products, create growth and speed

the economic development of the nation.

Quality of academic programs, research and publication has been at the forefront of the debate on measuring the performance of universities. Among the performance measures that have been used are indicators, rating and rankings (national and global) of universities. Malaysian universities have been wary of these rankings as it is felt that the metrics used in the rankings do not reflect the bigger picture of higher education in Malaysia. However, due to pressures from the government and various stakeholders, the rankings are taken seriously by the university leaders. To achieve good global ranking and reputation, Malaysian universities need to transform themselves to be a dynamic learning organization that has an innovative culture and seek to continuously improve and produce scientific breakthroughs and technologies.

There are numerous challenges faced by public universities in Malaysia. Inadequate funding and human capital are among the common issues faced by the top university administrators (Ministry of Higher Education, 2015). Adaptive, creative and smart management requires the university leaders to be resourceful in facing these challenges. As a result of these challenges and also the demands from the various stakeholders, some of the university leaders have initiated various transformational agendas in their respective universities. The current standard organizational structure of a public university has been in place since Malaysia established its first university in 1949. Outdated and inefficient organizational structures need to be transformed to be more in line with the current and changing needs of the nation.

Why Transformation in UMT

UMT is a relatively young university that was established in the year 2000 to increase access of higher education in Malaysia. Being young has helped UMT to transform itself into a mold not like any other universities in Malaysia. Among the objectives of the transformation

exercise in UMT was to enhance efficiency in its financial resources and budgetary allocations; to develop and nurture academic talent and supporting staff; to increase the competitiveness of the university in attracting excellent students and staff and finally to reduce the administrative bureaucracy and increase efficiency in delivering the university's service to its stakeholders.

Many universities are not merely reforming but transforming themselves to better adapt to the rapidly changing landscape of higher education. Reformations according to Russell L. Ackoff (2004) are concerned with changing the means systems were employed to pursue their objectives (doing things right). Transformation however involve changes in the objectives they pursue (doing the right thing).

Any transformation exercise will result in changes to the existing structures and organization. If not done right, change in governance in universities will meet with resistance at all levels. The main advantage for UMT is that both its academic and non-academic staff are relatively young and thus are dynamic and ready for changes that occurred with any transformation.

Equally important, as a consequence of the transformation of a university, it should provide an environment that is customer friendly. Students as the main client should be able to thrive and excel with the new governance in place and the university's staff will be more creative, productive and innovative in their work performance.

Transformation of Governance in UMT

The governance leadership in Malaysian universities is headed by the vice-chancellor (VC) and he/she is assisted by three or four deputy vice-chancellors (DVC) depending on the size of the university. In UMT, there are three DVCs to help the VC and they hold the portfolios of Academic and Internationalization; Research and Innovation; and Students Affairs and

Alumni. Academic programs are offered at the various faculties led by the deans and heads of department while the research institutes are led by directors. Administrative support services such as physical development, financial and monetary management, library services and health administration are managed by non-academics who are trained in the respective fields. Some of the administrative support services leadership are held by academicians such as directors of the management of the information technology; curriculum; quality management and dean of the centre for graduate studies.

In order to adapt and change due to the various complexities, challenges and demands of the public, government, industries and various stakeholders, universities must transform itself into a flexible and dynamic entity that can respond easily to global opportunities and initiate social change and innovation. To have a meaningful change, the top leadership at a university must have a good vision as to where the university will be in the future. Holding to the old ways of governance is not sustainable in a world that continuously change and at a rapid pace.

A strong leadership is required to steer universities into the twenty-first century in order to become a global, reputable and excellent university. The role of university leaders is to provide a favorable environment for the various stakeholders to come up with a comprehensive transformation program through a detailed strategic planning process that involved consultations and consensus building amongst academics and administrators of the university. The transformation process in UMT was built on a strategic vision of the VC that was build upon and supported by the academic and non-academic staff of the university. Komoo (2012, 2013) had extensively studied the workings of the administration of universities in Malaysia and overseas and based on these knowledge, had crafted a massive framework of transformation in UMT.

Transforming Faculties to Schools

The transformation of the six academic faculties into eight schools involved dismantling the old system of governance of academic studies whereby in its place, the more discipline focused schools are leaner and able to bring together similar fields to synergize better planning and implementation of academic programs and related research. The six academic faculties that were restructured are: Faculty of Science and Technology; Faculty of Economics and Management; Faculty of Agro-technology and Food Science; Faculty of Maritime and Marine Science; Faculty of Social Development; and Faculty of Fisheries and Aqua-Industry. The new academic schools were organized based on UMT's niche of Marine Science and Aquatic Resources. New academic programs and research are highly encouraged to be linked and tailored to the university's niche area. The eight schools formed under the academic and governance transformation program are School of Fundamental Sciences; School of Informatics and Applied Mathematics and Nautical Science; School of Marine and Environmental Sciences; School of Fisheries and Aquaculture Sciences; School of Food Science and Technology; School of Social Development and Economics; School of Maritime Business and Management; and School of Ocean Engineering.

UMT aspires to be known globally as a premier marine/maritime university and the restructuring of the faculties into schools is a necessary first step towards achieving this goal. Located by the South China Sea, UMT is in a good position to utilize its strategic location and take advantage of being amongst the top Malaysian universities in the field of maritime, marine sciences and aquatic resources. The newly established schools will be able to take advantage of the university's niche and able to specialize in the discipline focused fields. Furthermore, the initial setting up of the faculties was done in the early formation of the university and it was done without a thorough planning of the future direction of the university. By focusing and specializing

in the chosen niche, the university will be able to fully utilize the strength and potential of its academicians by streamlining its research and the academic programs offered based on the niche. Transforming and merging the faculties into schools will enable the university to accelerate the process of developing new research, innovation and knowledge that will further advance the field of marine science nationally and globally.

Another advantage of the transformation from faculties to schools is having an organizational structure that is less hierarchical and bureaucratic. Under the previous structure, academic programs and academicians are under the stewardship of a head of department. With the restructuring, academic programs are now led by program heads or chairpersons that will provide better direction and management of the academic programs. Senior professors appointed as deans will now be directly responsible for the professional development of academicians under each school. The helming of the schools by senior professors will encourage better guidance and mentoring to the majority of the young and dynamic academicians who are just starting in their careers.

Establishment of the Center for Academic Talent Management

In a university, students and academicians are the main resources that help build an excellent and outstanding university. Other equally important resources include the academic programs offered, facilities (libraries, laboratories, recreational etc.) and its support staff. The better the resources a university has, the better the chances for it to succeed and excel. Realizing the need to enhance the quality of its academicians to become better lecturers, researchers, innovators, leaders and change agents, UMT had established the Center for Academic Talent Management.

The primary role of this center is to develop academic talents by equipping them with the necessary skills in order to ensure that

they reach their potential and able to enhance their capabilities in their various roles and responsibilities. The center will be responsible in attracting, engaging, training, developing and polishing academic talent based on the university's niche area. Previously, the human resource development component of academicians was placed at the Registrar's office together with that of all the supporting staff. Administratively, the old structure was slow, full of bureaucracy and ineffective in looking out for the interest of academicians.

Succession planning is one of the responsibilities of the center and through the university's strategic planning plan, within the next few years, the center will be able to provide a more diverse pool of capable and dynamic leaders. The new center is thus more focused in managing and developing academic talent to be the future leaders.

Administration of Undergraduate and Postgraduate Programs

The prior organizational structure that was used in the administration of academic programs involved two separate units namely, the Center for Postgraduate Studies (under the leadership of a dean) and the Academic Division (under the leadership of the DVC for Academic and International Affairs). With the transformation in governance, the two units were merged and consolidated under the Registrar's office for better coordination and management of programs. Both the Center for Postgraduate Studies and the Academic Division were disbanded. A director was appointed to coordinate and manage the new Academic Management Office. With the new structure, the university is able to realize the economies of scale and scope.

However, most of the administration of postgraduate students' academic affairs now falls with the schools. Postgraduate students are better served with this new system as they are now closely associated with the schools and there is a sense of belonging that ties them to their respective schools. The new structure

to manage the academic affairs of both the undergraduate and postgraduate students is more efficient and the quality of service given is enhanced.

Formation of the Center for Transformation, Strategic Planning and Risks

The global scenario for higher education has changed dramatically over the last several decades. Challenges and opportunities become increasingly complex and this requires universities to plan strategically in order to adapt, change and transform to better serve its clients and stakeholders. To embark on this transformative program, UMT has established the Center for Transformation, Strategic Planning and Risks. The center is responsible for generating, initiating and implementing transformative ideas that will leapfrog the university to excellence in the global arena. It is also responsible for the formulation and implementation of the university's strategic plan (2013-2017) and managing the risks associated with the projects contained in this plan.

Universities as a learning organization need to continuously re-invent itself and this center plays an important role to ensure that UMT constantly adapts and innovates in order to perform and compete locally and internationally. A dedicated center for transformation and strategic planning will ensure that the university stays on the trajectory of becoming a global player in the higher education sector especially in the field of marine sciences and aquatic resources.

Redefining the Student Affairs and Alumni Division

Before the transformation of governance, the Student Affairs and Alumni Division was among the largest in the university in terms of its responsibilities and size of employees. Under this division, activities related to sports, culture, counseling, health, co-curricular activities, spirituality, residential colleges, entrepreneurial activities and alumni were all

tasked in ensuring the welfare of the students. Leading all these roles and responsibilities was the DVC for Student Affairs and Alumni. With a total of approximately 8,500 students (including both undergraduate and postgraduate students), the task given to this division was indeed onerous.

Considering some of the functions done by the division also involved attending to the needs of the university's employees such as in sports, spirituality, culture and health, there was an urgent need to restructure the division to reflect its bigger roles and responsibilities. Recognizing that the management of student affairs has to be more focused, the division itself was dismantled and in turn, the residential colleges was tasked with shouldering most of the responsibilities of the division. The functions of sports, culture and spirituality were transferred to the Registrar's office as these sections not only serve students but also the university's employees.

Residential colleges are now transformed into a second learning center other than that of the traditional, formal lecture theaters and classrooms. The colleges will now provide both non-formal and informal learning opportunities to the students given that for most of the students, greater time is spent at the colleges than in the formal conventional environment. Informal learning at the colleges consists of structured programs such as enhancing the mastery of English, uniformed bodies (for example, Red Crescent, Army, Navy and Police cadets) and talks by inspirational leaders. Learning through the non-formal methods entails students to learn the basic life skills such as communications, leadership and thinking skills through the many daily interactions they make amongst fellow collegians.

Enriching the Research Capabilities

UMT's vision is to be a "Marine-focused university, reputed nationally and respected globally". The university's vision was outlined in the Strategic Plan for 2013-2017 together with redefining the niche area of Marine

Sciences and Aquatic Resources. Research programs and projects are closely tied to the development of the marine and peripheral ecosystem including the rivers and lake ecosystems. The prerequisite to achieving this vision is having a solid support system for researchers in terms of research funding, facilities and an effective administration and management of research related matters (application for funds, management of funds, innovation and commercialization).

All the three research institutes at UMT are related to the university's niche area: Institute for Oceanography and Environment; Institute for Tropical Aquaculture; and Institute for Marine Biotechnology. Other centers, divisions and units are developed to support the research institutes and schools in achieving excellence in research. The Research Management Center (RMC) is responsible for obtaining and managing research grants, managing research data and coordinating the Special Interest Groups (SIG) in the university. There are 11 SIG and most of these research groups are closely related to the niche of the university (examples: Sustainable Fish Stock, Green Aquaculture Technology, Sunda Shelf Oceanography). The chosen SIG leaders will strategize the long term research plans and actions for each of the groups. Innovating, generating, advancing and disseminating new knowledge are the primary roles of a university and RMC's task is to ensure that UMT will be able to fulfill and achieve this responsibility.

In UMT, the Center for Innovation and Knowledge Transfer is tasked with managing the knowledge transfer programs based on research findings and outputs. Through the center, UMT strives to contribute in the knowledge transfer program that is based on knowledge innovation (research findings), technological innovations (intellectual property and commercialization) and social innovation (policies, best practices and increasing the prosperity of the community). Additionally, the center also manages the consultation services of the university. Another center, namely

the Center for ECER (East Coast Economic Region) Research Network supports the knowledge transfer program and networks with industries in the east coast of Malaysia to help the development of the community and economy based on tourism and natural resources.

In terms of research facilities, the setting up of the Central Laboratories division will optimize the research facilities in UMT. This division coordinates the research and teaching labs at the university, manage the research vessel and boats, manage the research stations (Marine Research Station on Bidong Island, Turtle Research Station on Redang Island, the Setiu Wetlands, and the Teaching and Research Port in Kuala Terengganu). A centralized division for managing all the research facilities not only optimizes the available resources but ensures improved maintenance, increased usage and higher quality of research outputs. Another research facility that was initiated under the university's research transformation program was the Kenyir Lake Research Institute. Kenyir Lake is the largest man-made lake in Southeast Asia and the close proximity of the lake to the university highlights an important role for UMT to play in the lake's sustainable development.

Developing the Center for Digital Learning

Beginning from 2013, UMT's main library was transformed into the Center for Digital Learning. The library's function is enlarged to include a digital library, e-learning facilities and an academic repository. The traditional library will be transformed into a fully digital library in future and in terms of restructuring, this includes combining the functions of the library with those of the information technology center. A director now heads both the merged units for an easier coordination and synchronization of the new roles of the Center for Digital Learning.

This new center is in charge of digitization of content, acquiring e-books, increasing the availability of open access materials,

intensifying the development of e-learning content and ensuring that the hardware requirements are sufficient to support a trouble free and easy access by students and staff. As stated in the strategic plan, UMT endeavors to have the first fully digital library in Malaysia by the year 2017.

Stakeholders Engagement

Transformation in universities is not without problems and pitfalls. Lapsley and Miller (2004) stated that transformation of universities is complex and not a simple linear change but transformation is a necessity and universities have to continuously seek to transform itself in order to survive or go out of existence (Tischler, Biberman and Alkhafaji, 1998). Making transformation work successfully requires not only careful planning and execution but stakeholders engagement and commitment is also vital.

The need for transformation and the structure of the new governance need to be laid out and explained to all levels of staff and students by the top management. UMT has done this through various methods including workshops, public forums, monthly meetings, printing of booklets and having the heads of each center/school explains the transformative process in the university. Early feedback showed that the new structure is well received by the staff even though there are pockets of dissatisfaction due to the reorganization, restructuring and relocating by some of the affected staff.

Outcome of Transformation

Preliminary results of the outcome of the transformation process shows that there are less bureaucracies and the university was able to provide a better delivery to stakeholders under the new structure. For instance, academicians at school are under direct supervision of Dean, not head of department. The reduced bureaucracies also resulted in better management of financial and human

resources in addition to providing flexibility and empowerment in overall management. The new structure had reduced the layers of decision making resulting in quicker and more efficient decisions and consequently, faster implementation of the required actions.

With the transformation of faculties into schools, researchers have better synergy and have easier access to colleagues with similar disciplines for frequent and in-depth discussions that foster greater communication and cooperation. This has enabled research teams to work better together, gain competitive advantages and able to successfully bid for high-value research grants.

The new organizational structure also enables cross-functional staff to work in teams. The number of staff allocated to each centers of responsibility was reduced and with bigger job scopes and leaner staff, every worker has to be more dynamic and productive. Eventually UMT strives to be known as a highly efficient public university with excellent work ethics and quality service.

Conclusion

UMT has embarked on a wide ranging transformation program that has included transformations of governance, academic, student affairs and research and innovation. Much of this transformation is unique to UMT and is not the standard practice for a public university in Malaysia. The traditional way of governance is no longer enough to compete in a world that has become rapidly borderless. With the strength from the effects of transformation, UMT will be able to achieve its vision to be a marine focused university that is reputed nationally and respected globally. Furthermore, UMT's transformation is inline with the launch of Malaysia Education Blueprint 2015-2025 (Higher Education) with the objective to keep Malaysia education to stay abreast with, if not ahead of, global trends.

References

- Dearlove, J. (2002). A Continuing Role for Academics: The Governance of UK Universities in the Post-dearing Era. *Higher Education Quarterly*, 56(3): 257-275.
- Komoo, I. (2012). *Syarahan Perdana Naib Canselor 2012: Memantapkan Hala Tuju Menghampiri Impian*. Kuala Terengganu: Penerbit UMT.
- Komoo, I. (2013). *Syarahan Perdana Naib Canselor 2013: Mencari Nilai Bersama, Membina Akademik Berbudaya Cemerlang*. Kuala Terengganu: Penerbit UMT.
- Krücken, G., & Meier, F. (2006). *Turning the University into an Organizational Actor: Globalization and Organization: World Society and Organizational Change*. Oxford: Oxford University Press. S, 241-257.
- Lapsley, I., & Miller, P. (2004). Foreword: Transforming Universities: The Uncertain, Erratic Path. *Financial Accountability & Management*, 20(2): 103-106.
- Ministry of Higher Education (Ed.). (2015). *The Malaysia Education Blueprint 2015 - 2025 (Higher Education)*. Putrajaya: Ministry of Higher Education.
- Russell L. Ackoff. (2004). *Transforming the Systems Movement*. In International Conference on Systems Thinking in Management. Pennsylvania, USA: University of Pennsylvania.
- Teferra, D., & Altbachl, P. G. (2004). African Higher Education: Challenges for the 21st century. *Higher Education*, 47(1): 21-50.
- Tischler, L., Biberman, J., & Alkhafaji, A. (1998). A New Strategic Planning Model for Universities Undergoing Transformation. *International Journal of Commerce and Management*, 8(3/4): 85-101.