

# New Reforms in the Management of the University: Transition from Centralized to Decentralized (University-Based Management) in Iran

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## Abstract

This article focuses on new reforms in Iran's higher education management system — Transition from centralized to decentralized (University-Based management — UBM). This is an important subject since Iran's Ministry of Science, Research, and Technology (MSRT) has begun to introduce new reforms for the improvement and the enhancement of Iranian universities' management and movement it toward an independent and self-regulated system. The article examines new management reform in three key areas: university financing, quality and operational performance, and organization of the university system. It may be interpreted within a framework of planned, political–dialectical model, and socio-cultural model. Does this mean a move from idealism to a realistic perspective in relation to the problems and issues of universities in Iran? In addition, enabling conditions and barriers involved in implementing the new reforms are discussed.

### Keywords:

higher education, management, reforms, decentralization, Iran

## Introduction

Changes in society, globalization, and technology place the management of higher education in a challenging situation ([Lauder and Mehralizadeh, 2001](#); [Mehralizadeh, 2001, 2003](#); [Mehralizadeh and Naeli, 2002](#)). The different models of decision-making in higher education by different countries namely, 'collegial model, political model, bureaucratic model, and entrepreneurial model are indicators of the importance of changes in management' ([Sanyal, 1998](#)). In addition, we see new policies and trends, which emphasize on reducing the power of the government and intervention and encourage universities to be independent in policy-making and accountability. Looking at such innovations as strategic management and the application of total quality management to higher education institutions puts higher education under pressure from different sources — new missions for the universities, new organizational structures, strong competitors, student expectations, education, teaching, and renewed roles for faculty members, recruitment of new faculty members and other staff, financing as well as links with industry.

In the current situation of Iran's higher education, in particular, the new decision to decentralize the management system to shift accountability and autonomy toward universities could result in a reform that puts universities in a new position. Here, a critical evaluation on the process of university management and organizational change is needed because universities are being asked to respond

to an ever-changing environment. In fact, shared decision-making (University-Based Management — UBM) is about to become a centerpiece of efforts across the nation to improve Iran's higher education institutions.

This article focuses on several key areas of Iran's new reforms and the changes in the university management process. It presents:

1. a brief description of Iran's higher education system;
2. the new management reforms within the framework of the six models of changes as a method to understand the ideals and assumptions that underlie this form of governance structure;
3. the enabling conditions and barriers involved in its accomplishment and how they might influence the change process; and
4. some principles for change based on a synthesis of research within universities. How may these structural changes be made to support changes in UBM, particularly those skills necessary to effectively implement UBM?

## Higher Education in Iran

Iran is an important country in the Middle East Region. With a population of 63 million, and a GDP of US\$115 billion, it is the second most populous country and the second largest economy in the region. It is also the second largest OPEC oil producer and has the world's second largest reserves of gas. Iran is progressively emerging from a long period of uncertainty and instability, marked by the destructive war with Iraq, internal post-revolutionary strife, international isolation, and deep economic instability. Iran is currently in the midst of a major process of economic re-orientation, and an important evolution of its social and institutional system. In March 2000, the Parliament approved the third Five-Year Development Plan (FYDP), which provides the broad directions of a wide-ranging program of economic reforms and social priorities over the period 2000–2005. Since then noticeable progress has been made in implementing this reform program. On the international relations front, Iran's anticipated sustained progress in improving its relationships with the rest of the world constitutes a major achievement of President's Khatami's *détente* diplomacy based on the 'dialogue among civilizations'. These developments, if sustained, could be significant for the future economic integration of Iran with the world economy.

In the social domain, since the 1979 Revolution, Iran has laid strong and special emphasis upon human development, social protection, and 'social justice', with significant progress to date. Owing to major investments in the social sector over the last 20 years, with virtually universal education and extensive health coverage, and an active government distributive strategy through direct transfers and indirect subsidies, the population living under the poverty line has fallen significantly from 47% in 1978 to 15.5% in 2003. Virtually all social indicators have shown improvement to the point where Iran now ranks at or near the top of comparable countries. Of particular note is the closing of the gender gap in education. Enrollment rates for boys and girls show a change in favor of girls in terms of those entering higher education.

'Higher education' has an ancient past in the dynamic culture and civilization of Iran (and Islam), reaching peaks of prosperity at the time of the Sassanids with the establishment of centralized higher education institutions in the cities of '*Riv Ardeshir*' and '*Jondi Shapour*' from AD241 onwards. Owing to the importance of medicine and medical education in those days and much use of the experiences

and scientific achievements of the Greeks, Indians, and Iranians, these cities turned into real centers of ancient higher education.

Corresponding to the time of scientific and technological advance in the Western World, the *Qajar* (Dynasty) Prime Minister '*Amir Kabir*' founded the '*Daarul Fonoon*' (House of Techniques) as a modern institution in Iran in 1848. In addition to sending students abroad and inviting foreign lecturers to Iran, higher education centers were established in the cities of *Tabriz* and *Urmieh*. From 1934, the universities of Tehran, Mashhad, Isfahan, and Tabriz were officially opened. The establishment of the Ministry of Science and Higher Education in 1967, public and private universities and other higher education centers were given a uniform structure.

Following the victory of the Islamic Revolution in 1979, major change took place in higher education. To adopt fundamentally new policies and to meet the new needs of the revolution, the Ministry of Science and Higher Education was changed into the Ministry of Culture and Higher Education. In the same spirit, and to establish a revolutionary culture, create a new educational system in higher education, set new standards in fundamental and applied research, and to institutionalize the values of the revolutionary society existing within the universities, the 'Cultural Revolution Headquarters', later changed into the 'Supreme Council of the Cultural Revolution', was established by the late leader of the Revolution, Imam Khomeini (God bless his soul). It played a highly significant role in cultural and educational policy-making. Very recently, for better integrating and co-ordinating science and technology strategies, policies and functions of the third millennium, the Ministry of Culture and Higher Education has been revised into the Ministry of Science, Research, and Technology (MSRT).

The higher education system in Iran expanded very rapidly during the past two decades and split into two main groups of 'government' and 'non-government' institutions<sup>1</sup> (see [Table 1](#) for number of students).

**[Table 1 - Number of students by level of education in public and private sectors \(1998–1999\).](#)**



[Full table](#)

## Iran's New Reform of UBM System in the Light of Models of Change

Let us turn our attention to the conditions and nature of the new reforms in Iran's UBM system. These new management reforms will be considered first against various models of change in universities. Second, within this framework, reforms in Iran's universities are scrutinized to understand better the ideals and assumptions underlying this management system.

When we examine models of change in universities, it should be borne in mind that universities are complex organizations. Theorists have provided some generic definitions of organizational change. For example, [Burnes \(1996\)](#) noted

that organizational change refers to understanding alterations within organizations at the broadest level among individuals, groups, and at the collective level across the entire organization. Another definition has emerged as the observation of difference over time across one or more dimensions of a given entity ([Van de Ven and Poole, 1995](#)). These definitions leave aside the assumptions inherent in these different models or theories. For example, cultural and social-cognition theories of change replace the word 'observation' with the word 'perception' in the second definition.

Six main categories related to the theories of change help in understanding, describing, and developing insights about the change process. These are:

1. evolutionary,
2. planned change,
3. life cycle,
4. dialectical,
5. social cognition, and
6. cultural.

Each model makes distinct assumptions about why change occurs, how the process unfolds, when change occurs, and how long it takes, as well as its outcomes ([Morgan, 1986](#); [Bolman and Deal, 1991](#); [Carnall, 1995](#); [Kezar, 2001a](#)) (see [Table 2](#)).

**Table 2 - Charactersitics of six models of change in universities.**



[Full table](#)

Given these distinctive organizational features and models, higher education institutions would seem best interpreted through cultural, social-cognition, and political models ([Schein, 1985](#); [Levy and Merry, 1986](#); [Morgan, 1986](#); [Bolman and Deal, 1991](#); [Carnall, 1995](#); [Carr, Hard, and Trahant, 1996](#)). Some researchers suggest using several models or categories, since each sheds light on different aspects of organizational life ([Van de Ven and Poole, 1995](#)). The advantage of multiple models is that they combine the insights of various change theories. [Bolman's and Deal's \(1991\)](#) re-framing of organizations and [Morgan's \(1986\)](#) organizational metaphors illustrate how assumptions from planned, evolutionary, political / cultural, social-cognition, and life-cycle models can be combined to understand change ([Kezar, 2001b](#)).

The justification for cultural models seems clear from the embeddedness of members who create and reproduce the history and values, the stable nature of employment, the strong organizational identification of members, the emphasis on values, and the multiple organizational cultures. As there are no bottom-line measures for examining performance in higher education, image and identification are extremely important for understanding if change occurs and how it occurs. The relationship of image and identification to change seems to indicate that social cognition is important to understand. Furthermore, the loosely coupled structure, anarchical decision-making, and ambiguous goals make meaning

unclear, and social-cognition models' emphasis on multiple interpretations may be important to consider when examining and facilitating change. The shared governance system, organized anarchy, conflicting administrative and professional values, and ambiguous, competing goals also point to a need for the interpretive power in political models. Evolutionary models are important for understanding the impact of environmental factors on change, among which are accreditation, foundations, and legislatures in an interdependent system, especially since these instances are growing in magnitude and influence. However, even though a higher education institution is an open system, it may have internal consistency and logic that can be damaged by the abrupt intervention of external environmental forces.

Such an explanation provides a suitable domain to examine why change and reforms happen in higher education. Thus, with this framework set out, we now consider new management reforms in the running of Iran's universities. Reviewing these reforms will uncover the ideals and assumptions that underline the new management system and structure in Iranian universities.

In the last few years, Iran's MSRT introduced reforms in the management of universities, focusing on three key areas: university financing, quality and operational performance, and the organization of the university.

### **University financing**

The expansion of higher education over a 20-year period was not matched by increases in funding. Current and capital budget of universities decreased. This process increasingly raised the issue of whether the quality of learning opportunities was not falling to unacceptable levels, and that the impact of sustained cuts affected research production adversely and ushered in unacceptably low levels of investment in laboratories, equipment, and other facilities. Furthermore, it was claimed, salaries had fallen and institutions found it difficult to recruit and retain professional academic staff. Still, all governments have been concerned at the level of public expenditure as a proportion of GNP; they have also been unwilling to resolve the problem by increasing public expenditure. Two issues pressed universities to re-evaluate their financing. Firstly, public funding for student education still constitutes a major part of higher education funding. It is likely to remain so for the near future. Yet, sustained cuts in university budgets during the last few years made university management more vulnerable and inflexible in the face of environmental changes and expectations. Second, pressure came from rival universities (private universities), which increasingly extend their services and investment.

In response to these two issues, the MSRT asked universities to consider the following recommendations:

1. Reallocate public resources to reflect the growing importance of education for economic prosperity and social stability at the local, state, and national level. Major structural changes should be made to the governance system so decision-makers could assess the relative value of departments, programs, and systems, and reallocate scarce resources. As part of the overall restructuring, colleges and universities should introduce greater mission differentiation, streamline their services, and respond better to the changing needs of their clientele.
2. The introduction of tuition fees is another way of supporting university financing. With this policy, the government hoped to shift responsibility for higher education funding more to students, parents, and employers.

### **Quality**

As universities are more responsive to the needs of their regional, national, and international environments, quality has been a serious concern since late 1995. The MSRT started such innovations as internal evaluation, monitoring and evaluation system, science poles, support for gifted students, entrepreneur education, the drawing up of a 10-year development plan by universities, and the placing of responsibility for curriculum development on universities.

Internal evaluation is an initiative that followed the recent movement to give universities more autonomy and less state control over curriculum development, student intake, etc. As part of this movement, interest in institutional evaluation has grown. Internal evaluation is one of the main vehicles for introducing quality into universities. Its aims include:

- a. improvements in curriculum design, content, and organization; teaching, learning, and assessment; student progress and achievement; student support and guidance; learning resources and quality management and enhancement;
- b. institutionalizing the top-up monitoring, and quality control groups;
- c. developing skills requirements in departmental planning. During this process of internal evaluation, all faculty members of departments are involved. The quality of inputs, teaching-learning process, organization and management of departments, outputs and outcomes of the internal departments are considered against each department's stated objectives.

In establishing quality procedures, the MSRT also set out guidelines for monitoring and evaluation, which focused on indicators and standard indexes to monitor the performance of faculties and departments. All universities are motivated to develop an appropriate system to monitor the effectiveness of their teaching and research indicators in the areas of research academic achievement and educational provision, so that institutional achievement may be compared in the form of national indicators.

By delegating responsibility for curriculum planning to major universities, it is hoped that such initiatives will empower them to plan for themselves, ensure closer match of curriculum planning with social needs and institutionalize curriculum planning at various levels within universities.

### **University system organizing**

Public concern with investment in higher education is greater now than it has ever been. It is expected that the sector will be more connected with the broader economy and will contribute to the achievement of political goals — in lifelong learning, employment skills, technology transfer, regional development, and the development of an inclusive society. Higher education is now a tool of policy. This is a reshaping of higher education provision and structure. If we look at the different methods of organizing, namely function method, product method, and matrix method, each method is focused on conditions and operation to support the system. The Ministry of Science, Technology, and Research decided to change the organizational structure of universities to ensure that they carry out these new missions and strategy. All universities are asked to adapt to these innovations.

Finally, in describing the change model(s) in Iran's university management, we can see how different models of changes are reflected in the new round of innovations and in the decentralization of university management.

- Change is based on the planned model. During the last decade, change occurred in management of universities because Iran's leaders as change

- agents, and others acknowledge the necessity for change. Thus, change has happened and enshrines a model of planned change.
- Change is also based on a political–dialectical model. New management changes are dialectical. Change processes are considered to be predominantly bargaining, consciousness-raising, persuasion, influence and power, and social movements. After 1989, a new round of political debate began among the country's politicians and ministries. It gave more power to universities with the view of raising their real expectations for more academic independence and obtaining power to manage their jobs.
  - Change also reflects a socio-cultural model. As we pointed above, in connection with this model, change occurs in response to shifts in the human environment. Individuals see a need to grow, learn, and revise their behavior. One of the signs of this process is the move from an idealistic view to a realistic perspective *vis a vis* the problems and issues universities face in Iran.

In effect, there are two different movements in relation to the management of Iran's universities:

- a. after the Islamic Revolution until the end of the Iraq–Iran war (1977–1988), which coincided with the idealistic concept of higher education, and
- b. after 1988, beginning with the first 5-year development plan up to the present. During this period, policy makers in higher education looked at the issues with a realistic perspective.

However, the process of change in Iran's Universities face both obstacles and problems. For UBM to succeed, a closer look is needed at the conditions that both facilitate or block its implementation? How is the change process affected? Here, attention focuses on the main barriers with which UBM is confronted.

## Barriers of UBM System in Iran

If we are to do this, we must first of all pay attention to some of the issues and obstacles that arise from them. Significant among the obstacles are finance, resources, participation, and management power. To understand why UBM could not be sustained, [Figure 1](#) sets out the most telling barriers to implementing the new managerial reform.

**Figure 1.**



Barriers to the UBM system in Iran.

[Full figure and legend \(28K\)](#)

Dependence of the university on government financing is an important issue in the management of Iranian universities. The resource dependency theory argues that in order to survive, the organization must acquire resources ([Pfeffer and Salancik, 1978](#)). The organization depends on external organizations for these resources. Such dependence allows the external organization to control the focal

organization. Within this theoretical construct, survival and autonomy of Iran's university management in the light of new reforms are matters of primary importance.

Political and government authorities appoint university presidents. They are especially reluctant to approve any changes that may weaken their power or authority in universities, particularly since they have traditionally dominated the university. Even within the universities, the same reticence is present among deans of faculties. They too are reluctant to give autonomy to faculties and to academic groups. The strong desires of faculty members to have autonomy, power, and authority on the one hand, and university and national policy-makers to keep theirs on the other can lead to serious challenges in running university based management. Therefore, we can anticipate that the majority of universities experience low participation rate among their employees when their planning is put in action.

Introducing a culture of admitted changes in any organization — particularly universities, which are professional bodies — is difficult and requires time. First, fear of change must be removed from faculty members, staff, and students. Unfortunately, experience of faculty members, staff, and students with managing universities has not been the happiest, and their confidence in the new reforms tends to be pessimistic.

Another barrier is the lack of clarity in implementing the plan plus the failure to promote open dialogue among participants. Certainly, many implementation problems can be solved by proper planning. Three components of a successful UBM plan are:

- Obtaining university-wide commitment.
- Communicating the university's vision, mission, and goals.
- Providing open communication about the university's new focus.

The board of directors or other controlling groups have to be involved from the beginning. The plan should remain flexible so that adjustments, and improvements can be made as the culture of change itself evolves.

Ineffective measurement techniques, lack of access to data and results, the absence of adequate measurement procedures or ineffective measurement techniques, a failure to maintain accurate and reliable data, and to provide sufficient access to such information poses the most important problem for the UBM system.

Training and education are ongoing and facilitate continuous quality improvement in any organization. Leaders involved in carrying out the UBM should identify the educational needs of the organization and be creative in meeting those needs efficiently and cost-effectively. Training and education should be both formal and informal.

Another barrier the universities face is in their structure and organization to put new reforms into action. Managing universities based on the model of scientific management (traditional system of management) does not provide a suitable environment for all interested groups and university stakeholders to participate actively. Furthermore, although the MSTR reformed the organization of universities, it did not succeed in bringing about reforms in management of universities. The previous experience of university management with centralized management shows that principles, which support the participatory model are not used fully within universities. These practices remained largely unsuccessful in

achieving their designed objectives in the corporate world itself. They also point to some of the reasons why many universities that do not compete adequately inside and outside the country may well be rooted in this dimension.

Universities must pay attention to both their internal and external customers so that they can grasp fully the needs and expectations of both types of customers. Too often, managers assume they know what customers need and expect, and too often this results in misdirected efforts and investments. An astute organization makes the understanding of all customers' changing needs and expectations a high priority.

There is little doubt that these barriers exist in every university. Management must understand that they do exist and should not only deal with them in the implementation process but plan for them as well.

### **Strategies to support changes in UBM**

Implementing management reform in Iran's universities demands stating the principles on which change is based, principles that in their turn derive from an overview of research on the topic within higher education. These are the key questions: How can structural changes be made to support changes in UBM? What skills are required effectively to 'embed' the UBMS? First, it is good to remember that universities are perceived as communities of scholars researching and teaching together in collegial way. Those running universities are seen more as academic leaders than as managers or chief executives.

[Kezar \(2001a\)](#) noted when a campus begins to engage in change, members of the organization first need to examine why they are about to engage on this course, the degree of change needed, and the best approach to adopt. Planning to benefit from UBM demands that potential obstacles be eradicated. If this is understood and anticipated, plans can be made to counter them. A review of the research literature reveals a number of basic principles that are summarized in [Table 3](#).

**[Table 3 - Principles for usefulness of UBM.](#)**



[Full table](#)

Although this list of principles, which researchers ([Birnbaum, 1991](#); [Kezar, 2001b](#)) have identified, is not exhaustive, it nevertheless represents some of the key dimensions within universities that affect organizational change.

## **Conclusion**

This article reviewed new reforms in Iran's higher Education management system in terms of the transition from centralized to decentralized modes (University-Based Management — UBM). It argued that three key areas were involved namely: university financing, quality and operational performance, and the organization of the university system. Examining the various theories that explain

change in universities, it was argued that a model combined from planned, dialectical-political, and socio-cultural change was more appropriate to describe the new reforms in Iran's university management system. The notion of dependency was explored in terms of universitys' financing, its structure and organization, as well as the challenge to power and authority among faculty members and boards of trustees. Inadequate attention to internal and external customers was one of the main barriers, which affected the new reforms. Finally, suggestions were made in connection with university management and staff commitment, the way the university organized academic work, strategic planning, and human resource development.

That said, Iranian university managers should bear in mind that successful change in universities requires an understanding of the nature of higher education. The principles set out above are among the main reasons for developing a distinctive approach to change and implementing UBM within higher education. Overlooking these factors and using concepts foreign to the values of the academy will most likely fail to engage the very people who must bring about the change.

## Notes

<sup>1</sup> *Public universities and higher education centers*: All public universities and higher education centers are affiliated with the Ministry of Science, Research, and Technology. Of course, all Universities of Medical Sciences are supervised and organized by 'Ministry of Health, Treatment and Medical Education'. Furthermore, there are other higher education institutes that are affiliated with other ministries including the Ministry of Education, Ministry of Foreign Affairs, Ministry of Communication and Technology, Ministry of Roads and Transportation, etc. Students in the day-time system of education pay no tuition fee to public universities, but the so-called night-time students are to pay their relevant tuition. *Distance education (Payam-e-Nour University)*: Payam-e-Nour University was established in 1987 to offer distance education courses at undergraduate level. *Islamic Azad University (IAU)*: As the first private university established in 1982, IAU is presently active in over 126 branches in Iran with more than half a million students. All campuses are supervised and governed by the Central Organization of Islamic Azad University', located in Tehran. Students are required to pay the relevant tuitions based on the entering year, major, and level of study. *Non-profit higher education institutes*: Now, some 33 'non-profit higher education institutes', offering both undergraduate and postgraduate courses, with about 23,000 students are active in Iran.

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