

"Governance and Institutional Building: The Role of Stakeholders"

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ABSTRACT:- In this study we examine the relation between corporate governance and institutional ownership. The fraction of a company's shares that are held by institutional investors increases with the quality of its governance structure. In a similar vein, the proportion of institutions that hold a firm's shares increases with its governance quality. They are robust to different estimation methods and alternative model specifications. These are consistent with the conjecture that institutional investors gravitate to stocks of companies with good governance structure to meet fiduciary responsibility as well as to minimize monitoring and exit costs.

Key words:- Corporate governance; Institutional ownership; Fiduciary responsibility; Monitoring costs; Liquidity; Trading costs

I. INTRODUCTION

According to the World Bank report (2000), higher education suffers inadequacy in quality delivery, resource allocation and budgeting which affect enrolment and training of competences among graduates, employment opportunities and global competitiveness on the job market have become a big challenge to developing countries.

In this globalization era there is a immense need for governance in every sector and so in education sector too. The mission of HEIs was to relocate their understanding to the young generation and create new knowledge. Another important field of activity is a search for innovative solutions by frequently combining knowledge from different research fields. By eliminating borders between states and cultures such globalisation processes, as permeability and speed of information, inevitably transferred the monopoly of higher education from the level of domestic policy to a global dimension. Constantly changing conditions, rapid technological progress development of internationalisation and vanishing walls between diverse regional cultures pose new challenges for higher education. Good governance is responsive to the present and future needs of the organization, exercises prudence in policy-setting and decision-making, and that the best interests of all stakeholders are taken into account.

- 1. Rule of Law-** Fair legal frameworks that are enforced by impartial regulatory bodies of government for the full protection of stakeholders.
- 2. Transparency-** Information should be provided in easily understandable forms and media; freely available and directly accessible to those who will be affected by governance policies
- 3. Responsiveness-** Organizations and their processes are designed to serve the best interests of stakeholders within a reasonable timeframe and with proper self concept.
- 4. Consensus Oriented-** Different interests of stakeholders in order to reach a broad consensus of what is in the best interest of the entire stakeholder group.
- 5. Equity and Inclusiveness-** To maintain, enhance, or generally improve their well-being provides the most compelling message regarding its reason for existence and value to society.
- 6. Effectiveness and Efficiency-** The processes implemented to produce favorable results meet the needs of its stakeholders, while making the best use of resources – human, technological, financial, natural and environmental.
- 7. Accountability-** Who is accountable for what should be documented in policy statements stated by the management and who will be affected by its decisions or actions.
- 8. Participation-** Participation by both men and women, either directly or through legitimate representatives, is a key cornerstone of good governance.

Towards Improved Governance: The idea of institution building is not new for commercial, business and profit-making organizations. Even the government and administrative sectors have also cultivated this idea well enough. However, in non-profit sector and in educational sector, this idea is yet to gain desired importance. The main reason for low, pathetic approach towards institutional building is the manner, in which this sector has

been considered in our social set-up. Most of the planners and institutional builders believe that educational institutions are the core aspect of a society and, therefore, educational institutions will get a natural advantage of support from the society and, as such, special efforts are not required for development of educational institutions which now is being changed as more and more efforts are coming from the education sector.

Stakeholders and institution development: How stakeholders can contribute in development of an institution is a big question to be asked but one cannot deny the importance every stakeholders play and they both go hand in hand for the growth which is the result of contribution of all concerns. Promoting and developing an institution is not a responsibility of one particular stakeholder or group of stakeholders. It is a joint and collective work of all concerned to do the assigned job with at most governance.

II. OBJECTIVES

1. Each stakeholder in the education system is essential to the success of education goals and their Performance evaluation.
2. To study the employer's accountability on the various management decisions and their impact.
3. Every different stakeholder plays a different and significant role in structuring the education system and how it can manipulate when implementing organizations objective.
4. To study how innovations directly affects the success of the education system.
5. To indicate the role of stakeholders leading to the development of education system.

III. LITERATURE REVIEW

The role of stakeholders in the development of an HEI through HEI performance activities devoted to the measurement of stakeholder needs, expectations and experiences. As pointed out by Ramos and Pires (2013). A good governance system helps to create a stimulating ecosystem to attract talented faculty and motivate them through a performance-based reward structure. An enlightened governance system encourages faculty to engage in external research and consulting to stay abreast of new developments and to bring external knowledge into the classroom. (Ramos &Pires, 2013). It motivates alumni to contribute generously and willingly funds and facilities for the development of the institution. It stimulates a culture of innovation, encourages large-scale faculty development programmes' and improves productivity. The role of the governing body is vital in developing global collaborations and partnerships with academic, research and productive organizations. However, universities cannot enjoy unlimited autonomy; because they are there to fulfill the nation's expectations of providing a quality education and participating in innovative research activities (O'Mahony&Garavan, 2012).

IV. RESEARCH METHODOLOGY

This research study is an analytical and descriptive research. Further the research talks about the transparency and institutional building in the education sector specifically. The study uses the primary as well as secondary data. Hence, the data from the structured questionnaires would result into quantifiable data.

Data Analysis Method and Tool: The study will use the appropriate analysis methods like Cross tabulation and will use are the SPSS software Version 25 and Microsoft Excel tools.

V. DISCUSSION

The expected implications and the findings of the study provide valuable insights on governance and institutional building in the educational sector. The study shows how governance in the education industry has given rise to various organization changes within the structure. Education sector includes stakeholders like faculty which is one of the main factor while choosing an institute, management plays a vital role in the upliftment of the institute, their policy and its implications and how it is upgrading their structure and their concern for employees for survival, growth and profitability. Government has made many policies for a idle institutional building and a proper transparency in both private as well government institutes. In promoting the notion of good governance in the multilateral development system in the institutional building, each stakeholder has its part to do which its own perspective. Every one of the administration models has points of interest and drawbacks. The survey has shows has the various perception regarding their thought process in governance and how they will choose one or what the idle should be like. Also, opportunity of administration may conflict so to have a proper system to solve is significant.

Exploratory Factor Analysis.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.930
Bartlett's Test of Sphericity	Approx. Chi-Square	1814.921
	df	66
	Sig.	0.000

The study has used the KMO test to measure the sampling adequacy and Factor analysis. Kaiser Meyer Olin (KMO) measure of sampling adequacy is 0.930 which is closer to 1, which is quite high and implies that the data is favorable enough to carry out the analysis. The Bartlett's test in the study (.000) indicates that this factor is useful for the data.

The test that have been carried out and which has been collected produces reliable and consistent results. It is the key to know whether the respondents when surveyed again with the same set of questions will give the same set of responses

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Item
.918	.918	6

- Alpha above 0.70 > reliable, 0.60 > probably reliable but should considered evaluating each question.
- Alpha below 0.59 is considered not reliable. You should either consider eliminating some elements from the instruments to raise reliability.

6. Cross tabulation

Do employees receive fair compensation, including salary, benefits, allowances, and other nonmonetary forms of compensation in your institute?

		Maybe	No	Yes	Total
Is rewarding a recognized good performance a part of institution building or not?	No	16	4	6	26
	Yes	66	28	84	177
Total		82	32	90	204

Inferences: Here we tabulated two factors i.e., rewarding a performance and how it is correlated with concern for employees by the institute. From the data we can interpret that people saying neutral and yes are close enough which shows that rewards and receiving fair compensation has some impact on institutional building as 84 people are in favor for both. Rewarding a good performance is the important part of the institute and survey showed that 177 which is approx 86% of people are favoring.

Which board do you prefer?				
	CBSE	ICSE	State	Total
Do you agree that the present education system requires a transparency in their prospectus (Course catalogue)?	Maybe	14	2	10
	No	3	2	1
	Yes	106	16	50
Total		123	20	61

Inferences: The institution's annual report and audited financial statements should be made widely available outside the institution, and ways should be found for the public, or the local community, to comment on institutional matters that concern them. Above data shows that 106 participants studying in CBSE board

think that there is lacks in transparency in prospectus and need improvement. Overall above 85% participants say that there should be improvement in transparency from the management side which shows that is a major trust issue in terms of governances and publication.

(1 being the most preferred; 5-6 being the least preferred)		If yes, rate the effectiveness of the process.					Total
		1	2	3	4	5	
Does your institute have a mechanism that helps when there is a student/management/faculty dispute?	Maybe	4	8	18	8	0	48
	No	0	2	11	1	9	40
Total		18	38	70	32	15	204

Inferences: From the data above we can interpret that 70 people i.e. 34 % have responded neutral. While 56 people i.e. 28 % thinks that there is no such mechanism provided by institution to resolve their queries. And 47 people i.e. 23 % thinks that their queries get resolved by the mechanism institute has provided to them. Institutes should provide the straight mechanism which is applicable to all.

Do societal norms regarding culture, class, religion, ethnicity, and gender may affect the performance of the organization and employees?		Occupations						Total
		Business	Govt.	Housewife	Private	Professional	Student	
Agree	4	2	1	7	3	68	87	
Disagree	2	0	0	0	4	20	26	
Neutral	1	0	1	3	2	36	43	
S.agree	2	0	1	6	8	13	30	
S.disagreee	4	0	0	1	4	9	18	
	13	2	3	17	21	146	204	

Inferences: Here we tabulated two factors i.e., societal norms affecting the stakeholders and how it is related with person's occupation. From the data we can interpret that 87 people have agreed that various culture, religion and other factors affects the institutions out of which 68 were students. Each occupation has its own mindset of seeing things whether it is culture or class. Every background thinks differently for the concern for their survival and growth.

Do you think government funded institutions have better corporate governance policy than privately funded institutions?					
		Maybe	No	Yes	Total
Website	1	10	7	7	24
	2	18	13	20	51
	3	31	25	15	71
	4	14	10	6	30
	5	6	11	5	22
	6	3	1	2	6
Total		82	67	55	204

Inferences: Here we compared two factors i.e. government funded institutions and privately funded institutions with the availability of information on their website. From the above we can interpret that maximum people i.e. approximately 72 % people think that information of privately funded institutions are easily available on website while government funded institution have to struggle a bit.

Do you think government funded institutions have better corporate governance policy than privately funded institutions?

		Maybe	No	Yes	Total
Global Collaboration	1	14	8	8	30
	2	25	13	21	59
	3	20	24	16	60
	4	13	10	4	27
	5	6	7	3	16
	6	4	5	3	12
Total		82	67	55	204

Inferences: Here we compared two factors i.e., government funded institutions and privately funded institutions with the global collaboration in their institution. The role of the governing body is vital in developing global collaborations and partnerships with academic, research and productive organizations. From the above we can interpret that 82 people i.e., approximately 40% people have neutral decision regarding it. And only 55 people think that privately funded institutions have better global collaboration than government funded institutions.

Do you think government funded institutions have better corporate governance policy than privately funded institutions?

		Maybe	No	Yes	Total
Reputation	1	8	8	6	22
	2	16	7	18	41
	3	21	22	12	55
	4	21	13	9	43
	5	9	12	3	24
	6	7	5	7	19
Total		82	67	55	204

Inferences:

Here we compared two factors i.e. government funded institutions and privately funded institutions with their reputation of the organisation among all. It motivates alumni to contribute generously and willingly funds and facilities for the development of the institution. From the above we can interpret that 108 people i.e. approximately 53% people ranked the reputation of government funded institutions between 1-3 than privately funded institutions i.e. they priorities privately funded institutions.

Do you think government funded institutions have better corporate governance policy than privately funded institutions?

		Maybe	No	Yes	Total
[Faculty development programme]	1	6	7	10	23
	2	27	14	10	51
	3	25	21	23	69
	4	16	15	5	36
	5	4	6	3	13
	6	4	4	4	12
Total		82	67	55	204

Inferences: Also governance system helps to create a stimulating ecosystem to attract talented faculty and motivate them through a performance-based reward structure. Enlightened governance system encourages faculty to engage in external research and consulting to stay abreast of new developments and to bring external knowledge into the classroom. From the above we can interpret that 143 people think that the faculty

development programme is essential in their institution, while only 55 people i.e. 27 % think that government funded institutions is better than privately funded institutions in terms of concern for faculty in institute.

Do you think government funded institutions have better corporate governance policy than privately funded institutions?					
		Maybe	No	Yes	Total
Technology advancement	1	12	8	10	30
	2	20	14	8	42
	3	19	22	22	63
	4	17	7	6	30
	5	9	11	5	25
	6	5	5	4	14
Total		82	67	55	204

Inferences: Technology stimulates a culture of innovation, encourages large-scale faculty development programmes and improves productivity of both faculty and student. Learning new gadget is a must now a day as students need to compete with the world which is going advanced day by day. Some examples like online class, learning new software and connecting to different culture for our own benefits.

	Who plays the major role in building the institution as per your opinion?										Total
	1	2	2, 1	4	4, 2	3	3, 2	3, 4, 2	3, 4,		
Which of the following factors helps a student most in knowledge enhancement?	1	-	2	-	2	1	-	-	-	-	6
	2, 3	-	1	-	1	3	2	-	5	-	12
	2, 3,	-	1	-	-	-	1	-	1	1	5
	3	1	5	-	-	-	2	1	-	-	9
	4	1	-	-	-	-	3	-	-	-	4
	5	-	10	1	2	-	4	2	-	-	20
	5, 1	-	-	4	-	-	-	-	-	-	4
	5, 1,	-	-	-	-	1	-	-	-	2	3
	5, 1,	-	-	-	-	-	-	-	-	1	3
	5, 1,	-	8	-	-	-	1	2	5	8	24
	5, 1,	-	1	-	-	-	1	-	-	3	5
	5, 2	-	-	-	3	-	3	2	3	-	11
	5, 2,	-	18	-	1	1	5	2	3	3	34
	5, 2,	1	3	1	-	-	2	2	1	-	10
	5, 2,	-	-	1	-	-	-	4	-	1	6
	5, 3	-	6	-	1	2	1	2	1	2	15
	5, 3,	-	1	1	-	2	1	1	1	2	9
	5, 4	2	3	-	-	-	2	-	-	-	7
	Tota	5	74	8	10	10	30	20	23	25	204

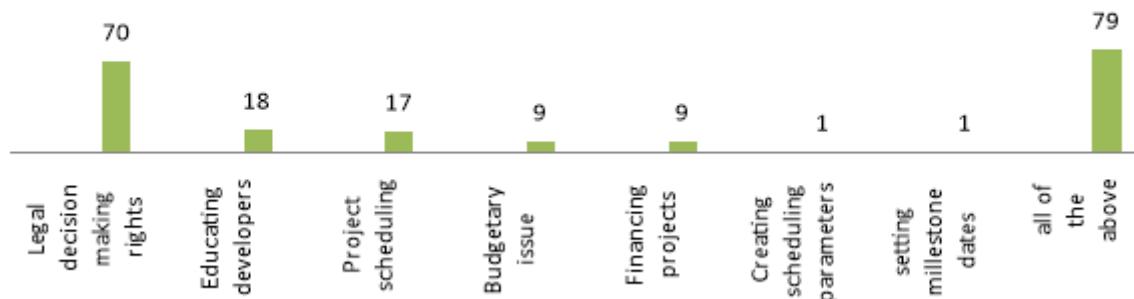
	Factors in knowledge enhancement	Major role in building institution
1	Initiative by the government	1 Government
2	Initiative by the institute	2 Management
3	Internship in corporate	3 Students
4	Student governed committees	4 Staff
5	Technology enhancement	

The survey shows that government and management are the major two leader in shaping education sector which is also a well versed as without government rules and regulation and various policies in governance, also after government all the stakeholder are the four important player for maintaining a good

governance. The expansion of the higher education system has brought to the fore several critical issues relating to governance of the higher educational institutions.

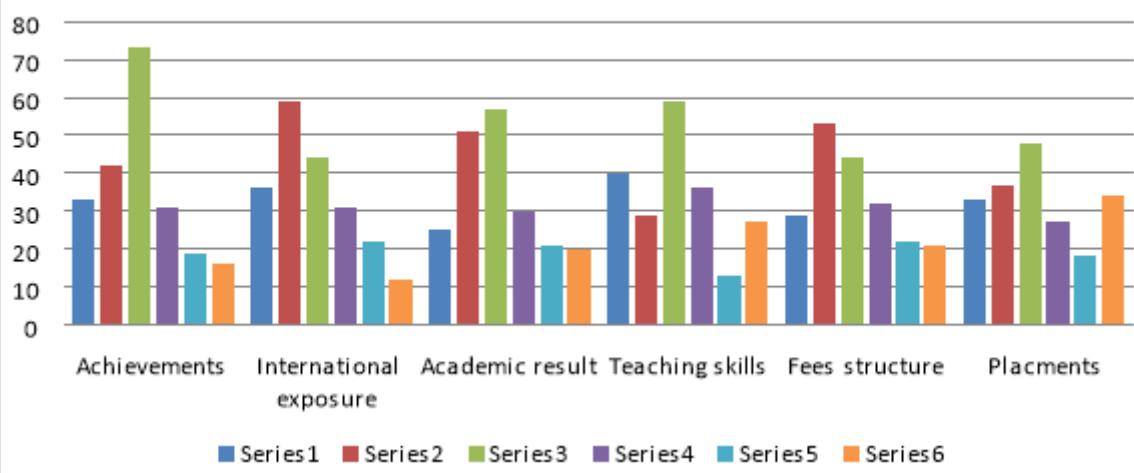
A very mixed result has come up in factor for knowledge enhancement so a little more people in the research may justify this.

Roles & Responsibilities of stakeholders towards building institution



Inferences: Roles and responsibilities of stakeholder are must to uplift an institute. Legal decision making rights is the part of the government and people also think it is the highly prioritize thing. Apart from this all the factors written upward are play a important when an institution is building everyone has to fulfill their responsibility.

Basis to choose the education institution



Ranking has been given from series 1-5, being 1 as the highest and 5 being the lowest.

Inferences: People are more focusing on international exposure it has and achievement it has done for various other levels. With the rapid growth of privately funded institutions, the nature of their governance system has become an area of major concern. The extent to which the members of the trust or society consisting of close family members or their relatives engage in micro-managing all aspects of the institutions including appointment of the heads of the institution and the faculty, their remuneration, investment in academic facilities, the admission policies, fee collection and so on, has caused considerable damage to the credibility of the Higher Education system in India.

VII. CONCLUSION

The research has shown us output of stakeholders in the education industry. How stakeholder help in the success or failure of an institution while accountability places the major role on every stage and how impact full is the management decision making for the upliftment of the institute. Sometimes some manipulations are done so that it publicly show good image but that is cut off by the government institution by making various policies and objectives that need to fulfill by the organization for growth and survival. New innovation are keep on happening in the education sector like online classes, videos lectures, online meeting, surveys etc. Every stakeholder has its own part to fulfill so that organization can provide their best from employees to their student

and management too. Various societal issues occurred while running an organization so a good resolving system is the key to maintain a good environment and transparency is must. In order to assist the process of incorporating good governance practices, a set of guidelines will be highly helpful. They can be applied to all institutions. However, the implementation of the principles may vary according to the size, mission and type of institution and the level of control by the government, especially during times of reform and transition. It is possible that new laws will emerge identifying the need for greater autonomy and accountability. If this is the case an explicit process of transition may need to be identified for the various different types of institutions. The rules governing governance issues may be specified in the statutes of universities, institutes and colleges. However, the core principles should be the same for any institution wishing to demonstrate that it is practicing good governance.

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