

For Information

Legislative Council Panel on Education

**Response to the Concerns and Suggestions Raised by
the University Reform Action Group and Staff Associations of the
University Grants Committee-funded Institutions**

INTRODUCTION

At the meeting of the Legislative Council Panel on Education on 17 May 1999, the University Reform Action Group (URAG) and the staff associations of a number of University Grants Committee (UGC)-funded institutions presented written submissions regarding the administration of tertiary institutions. The Administration and the representatives from the institutions' governing bodies responded generally to these suggestions at the meeting. This paper provides further response from the institutions and the Administration.

ESTABLISHING A GRIEVANCE COUNCIL FOR STAFF OF HIGHER EDUCATION INSTITUTIONS

2. As set out in the paper for the Panel meeting on 17 May 1999, there are established channels and mechanisms in all institutions to handle grievances and appeals. If a staff member is not satisfied with a decision (on employment-related and other matters) made by the management of the institutions, he/she may appeal to the relevant committees, established either under the institutions' governing bodies or the administration, or to the head of the institution, as appropriate. The appeal mechanisms and procedures are made clear to the staff through staff handbooks and other circulars promulgated to the staff. They seek to ensure that the whole process is, and is seen to be, fair and reasonable. Details of the mechanisms have been set out in the attachment to that paper. If any staff member considers that these existing mechanisms could be further fine-tuned, he/she may make suggestions to the governing councils or the management of the institutions.

3. It is also noteworthy that the institutions are subject to the following external monitoring mechanisms:

- (a) All UGC-funded institutions have to strictly adhere to the Notes on Procedures issued by the UGC regarding the allocation of grants;

- (b) The UGC has carried out a series of reviews on the institutions to ensure the quality of their teaching and learning and that the administration and management of the institutions are cost-effective;
- (c) The institutions are within the remit of the Independent Commission Against Corruption, the Equal Opportunities Commission and the Office of the Privacy Commissioner for Personal Data, established to tackle territory-wide problems (e.g. corruption, sexual discrimination and abuse of personal data);
- (d) The allocation and use of resources of the institutions are monitored by the Audit Commission; and
- (e) The institutions are subject to the Laws of Hong Kong. For instance, their employment matters are subject to the regulation of Employment Ordinance. Labour disputes, if any, can be handled using the channels which are available to all other employees and employers in Hong Kong.

4. We have also examined the practices in the tertiary education sector in the USA, Australia and the UK, and have not found any central independent body set up to consider grievances of staff of tertiary institutions in these countries. As in Hong Kong, employment-related matters and appeals in major universities in these countries are handled by mechanisms established within the individual institutions or their governing councils. We do not consider it appropriate to establish a central Grievance Council for staff of the higher education institutions.

ESTABLISHING A “UNIVERSITY ADMINISTRATION COMMITTEE” WITHIN THE COUNCIL

5. The tertiary institutions are autonomous statutory bodies. Under their governing ordinances, the governing councils are empowered to set up committees to facilitate the conduct of Council business. In exercise of such powers, all institutions have set up executive and other standing committees to consider matters relating to specific policy areas before they are submitted to the councils for further consideration. It would be for the individual Councils to consider whether a “University Administration Committee” should be set up. However, it should be noted that many institutions already have very elaborate committee structures at the institution, faculty and department levels to gauge the views of the staff members. Staff members are also consulted on matters

relating to the institutions through, for example, workshops, open forums and formal staff-management consultative committees.

ESTABLISHING A SELECTION COMMITTEE TO SELECT THE CHANCELLOR, COUNCIL MEMBERS, AND HEADS OF INSTITUTIONS

6. The governing ordinances of all UGC-funded institutions provide that the Chief Executive (CE) is the Chancellor/President of the institutions. It is not necessary to establish a selection committee to select the Chancellor.

7. The composition and appointment authorities of the governing bodies of all UGC-funded institutions are also stipulated in the governing ordinances of individual institutions. In general, members of the governing bodies include members appointed by the CE/Chancellor, the institutions' senior management, staff representatives elected from among eligible staff and/or nominated by the Senate, as well as student/alumni representatives.

8. As regards the head of the institution, a committee will normally be formed by the governing council to undertake a search for a new head of institution. While the composition of the committee varies from institution to institution, the committee normally comprises Council members who are not employees of the institution, representatives of the Senate and senior academic and administrative staff of the institution.

MEMBERSHIP FOR LEGISLATIVE COUNCIL MEMBERS ELECTED AMONG THEMSELVES IN GOVERNING BODIES

9. Because of historical developments, the Ordinances of the Chinese University of Hong Kong (CUHK) and the University of Hong Kong (HKU) provide for membership for Legislative Council Members elected among themselves in their governing bodies. However, this practice has not been followed in any subsequently enacted governing ordinances for tertiary institutions.

10. Seven Legislative Council Members have also been appointed by the Chief Executive to the governing bodies of four other institutions in their personal capacity. If appropriate, the Chief Executive would consider appointing more Legislative Council Members in their personal capacity to the governing councils.

INSTITUTION-SPECIFIC CONCERNS AND SUGGESTIONS

11. The Council of the Hong Kong Institute of Education (HKIED) has submitted a separate document in response to the submission made by the HKIED Association of Lecturers at the Panel meeting on 15 May 1999. The Council of the Hong Kong University of Science and Technology (HKUST) has also prepared a document in response to the various accusations made against the institution over the years. These two documents are attached at **Annexes A and B** for Members information.

Education and Manpower Bureau
September 1999

LegCo Panel on Education

List of members' concerns on the supervision of the administration of UGC-funded institutions

HKIEd's Response

(a) **Membership and accountability of the governing bodies**

The title and composition/membership of the governing bodies (e.g. Court/Council/Board of Governors) of the tertiary education institution

Under the provision of the HKIEd Ordinance of 1994 and the HKIEd (Amendment) Ordinance of 1996, the governing body of the HKIEd is the Council. Its composition of membership is as follows:

- 8 with relevant experience in commerce, industry or a profession in Hong Kong
- 3 in higher education
- 3 in education, other than higher education
- 3 public officers
- 2 ex-officio
- 3 elected staff representatives
- 3 elected Academic Board representatives
- 1 elected student representative

The current membership under each category is as follows:

- 8 with relevant experience in commerce, industry or a profession in Hong Kong
 - Mr. Simon Ip Sik On, JP
 - Dr. Thomas Leung Kwok Fai, JP
 - Mr. Peter Lee Ting Chang, JP
 - Mr. Alfred Chan Wing Kin
 - Mr. Philip Chen Nan Lok
 - Mrs. Angela Cheung Wong Wan Yiu, JP
 - Ms. Annie Wu Suk Ching, JP
 - Mr. Anthony Wu Ting Yuk
- 3 in higher education
 - Prof. Patrick Lau Sau Sing
 - Sir William Taylor, CBE
 - Prof. Amy Tsui Bik May
- 3 in education, other than higher education
 - Ms. Maggie Koong May Kay
 - Ms. Leona Lam Wai Ling
 - Mrs. Mak Chen Wen Ning

- 3 public officers
 - The Secretary for Education and Manpower or his representative
 - The Secretary for the Civil Service or his representative
 - The Director of Education or her representative
- 2 ex-officio
 - Prof. Ruth Hayhoe (Director)
 - Dr. Pang King Chee (Deputy Director)
- 3 elected staff representatives
 - Mr. Leung Yan Wing (Lecturer)
 - Mr. Wong Ping Ho (Lecturer)
 - Mr. Thomas Yeung Kim Wai (Lecturer)
- 3 elected Academic Board representatives
 - Dr. Chan Pui Kai (Principal Lecturer)
 - Mr. Lai Kwok Chan (Head, PAI Office)
 - Mr. Lau Wai Keen (Principal Lecturer)
- 1 elected student representative
 - Miss Vivien Lee

The reasons for inclusion of LegCo Members in the governing bodies of only two universities but not the others

Members of the Governing Council of the HKIEd are appointed by Government. The Institute has very little, if any, influence over the choice of membership. Currently, the Institute's Council does not have LegCo Members.

The means to enable members of the governing bodies to understand their duties

The Council and its Members carry out the functions as stipulated in the HKIEd Ordinance. In this connection, the Council has set up various committees and boards to assist the Council in discharging those functions. These include the Standing Committee, a committee on estates and campus development, a committee on finance, a committee on professorial appointment, a committee on staffing, a superannuation scheme management committee and a committee on fund-raising, as well as two tender boards for the Campus Development Project. The Council appoints its Members to these committees/boards, each with its own terms of reference that outline their respective responsibilities and authorities.

In addition to understanding the relevant provisions in the HKIEd Ordinance, each newly appointed Council Member receives from the Institute an information pack that includes:

- a. the Annual Reports of the Institute for the previous three years;
- b. the HKIEd Ordinance 1994 (incorporating amendments made in 1996);
- c. a full list of Council Members; and
- d. the Standing Orders of the Council.

Council Members are also advised that the Secretary to Council, who is also the Institute's Associate Director (Resources and Administrative Services), would be happy to provide further information and assistance.

On appointment to various Council Committees/Sub-committees, Council members receive the following information:

- a. terms of reference of the Committee/Sub-committee; and
- b. a full list of Committee/Sub-committee members

Members are advised to contact the respective secretaries serving the various committees for further information and assistance.

Having joined the HKIEd Council, Members are regularly kept informed of the development of the Institute through reports from the senior management, the Academic Board and all Council Committees/Sub-committees at scheduled Council meetings. On a regular basis, Members receive the Institute's newsletters as well as newspaper clippings on all matters related to the development of teacher education/education. In addition, Members are regularly invited to participate in major Institute's events such as the Open Day, the Graduation Ceremony and other academic and student functions.

Whenever appropriate, the Secretary to Council relates matters of relevance and interest to Members, e.g. public consultation papers on education, registration as voter of the education electorate, invitation to public forum on education, etc..

The role and powers of these governing bodies in the appointment of the President/Chancellor/Vice-Chancellor and other members of staff of these institutions

The Council is directly responsible for the appointment and re-appointment of the Director, the Deputy Director, and the Associate Directors of the HKIEd, through the establishment of a Search Committee chaired by the Council Chairman and comprising several Council Members and appropriate senior staff of the Institute, with staff being observers.

The Council's Staffing Committee approves the appointment, re-appointment and substantiation of staff at Senior Lecturer and Senior Executive Officer level and above.

The influence of the President/Chancellor/Vice-Chancellor in the appointment of members of the governing bodies

Very little, if any.

The decision-making process of these governing bodies, e.g. quorum of meeting, frequency of meeting, whether decisions are made by the majority voting

The Council operates with Standing Orders which define clearly meeting procedures and voting mechanisms. Decisions are made at the scheduled Council meetings or by circulation. In addition, decisions are made at meetings of the Standing Committee of the Council, which acts for the Council, in between plenary sessions of the Council, on all matters requiring policy and executive decisions. The Council determines the schedule and number of meetings on an annual basis, usually towards the end of an academic year, i.e. in June. The Standing Committee meets regularly and on a monthly basis, except for the months when the Council has a scheduled meeting, or when there is insufficient business to warrant a meeting.

The attendance rate of members of the governing bodies at meetings

During 1998, the HKIEd Council held three meetings and the average attendance rate of Council Members was 74%. The Standing Committee met six times and the average attendance rate of Council Members was 86%.

The authority for determining the terms of employment in these institutions

Individual salary scales and standardized sets of conditions of service for employment are decided by the Council and Staffing Committee. Salary determination guidelines for various staff groups are approved by the Staffing Committee/senior management. Individual cases are vetted by the relevant selection committee and the appointment approval authority.

The mechanism for dealing with appeals and objections to decisions made by the administration of institutions or the governing bodies

For appointment related processes, appeals are reviewed by the Staff Selection and Review Sub-Committee of the Staffing Committee of the Council. For conditions of service matters, appeals are reviewed by the Associate Director (Resources and Administrative Services) who will consult the Director where appropriate or necessary.

- (b) **Staff recruitment and administration of employment contracts (including procedures and criteria for staff performance appraisal, termination of employment, retirement and appeal mechanism)**

Staff selection

Staff selection is based on a set of selection criteria incorporated in a job specification proposed by the recruiting department and endorsed by the senior management of the Institute and/or the Staffing Committee of the Council. The recruiting department will normally be responsible for screening and shortlisting applicants. A formal selection board will be constituted to interview candidates who may or may not be required to sit a test. The appointment of the recommended candidate will be approved by the appropriate appointment approval authority/ committee.

Staff re-appointment and performance appraisal

Staff will be subject to a documented performance assessment by the department prior to their contract renewal or substantiation on superannuable terms of appointment. In addition, all staff will be required to undergo a formal performance review every two years, with an informal review in between. The reviews will be conducted by a departmental team in the case of teaching staff, or the supervisor in the case of a non-teaching staff. The criteria for assessment for teaching staff will be based on teaching performance, academic contributions, research and scholarly activities, and community service. For non-teaching staff, their work performance and other skills attributes will be appraised.

Termination of appointment

Staff may be terminated by the Institute by serving the required notice, or dismissed due to misconduct or other justified disciplinary grounds as a result of an investigation by a Disciplinary Committee appointed by the Director.

Retirement and re-engagement

The normal retirement age is sixty. Staff may be re-engaged based on functional ground in view of proven difficulty in replacement, need for continuity in a major task/project of significant importance to the Institute, requirement to train new staff essential for the expansion/development of the department/Institute, etc.. Re-engagement cases have to be approved by the Council's Staffing Committee.

Appeal mechanisms

Appeals against unfairness and/or procedural review related to appointment related processes may be lodged by a staff member to the Staff Selection and Review Sub-Committee of the Staff Committee. Appeals against other personnel matters will be referred to the Associate Director who will consult the Director where appropriate or necessary.

(c) Use of public funds and donations and the monitoring mechanism

The Institute prepares annual budgets, based on the strategic direction of development of the Institute and on inputs and requests from all departments/offices within the Institute. These requests are vetted by a committee chaired by the Associate Director (Resources and Administrative Services) and consisting of senior academic as well as a few staff members elected by individual departments/offices. The recommendations of this committee are presented to the Management Board chaired by the Director for approval. Once the budget is approved, departments/offices will be advised of details. The budget will also be presented to the Finance Committee of the Council.

The Institute has established budgetary regulations and tendering procedures to govern the use of public funds and donations. Most of the donations received by the Institute are intended for specific purposes. The Institute has established internal control procedures to ensure that these donated sums are spent in accordance with the wishes of the donors.

The Institute submits to the Finance Committee of the Council on a regular basis financial reports covering both public as well as private funds. The reports give details of income and expenditure, and how they compare with the budget. The Finance Committee of the Council examines these reports carefully and, as appropriate, advises the Institute on all major financial matters. The approval of the Staffing Committee of the Council has to be obtained before the Institute can appoint a senior academic/non-academic staff.

ACCUSATIONS AND FACTS IN THE HISTORY OF HKUST

Reduction in Library Funding

[Accusation: HKUST cut its library budget in favour of building an indoor swimming pool.]

Fact: In direct response to a significant reduction in Government's recurrent funding, the University's Budget Plan contained three main features:

- (1) maintain at previous levels the provision for teaching posts;
- (2) reduce by 22% the expenditure on non-teaching posts; and
- (3) reduce by some \$70m the annual expenditure on non-salary items.

The budget for Library materials fell in category (3), and the term "materials" included not just books but journals and electronic and other media.

In earlier years, in order to build up a new library from scratch rapidly, significant supplemental allocations had been given to the Library from savings in other areas. By now, the Library had already achieved respectable holdings, and a reduction became inevitable in view of the government-mandated budget cut.

The reduction has been achieved mainly from journal subscriptions following a major review undertaken in a thorough consultation with academic staff in each Department of the four Schools. Particularly specialized and infrequently used books, as well as particularly specialized and infrequently used journals, were no longer purchased. (They remained, however, available through other libraries by exchange or fax.) Staff and students have not indicated difficulty or inconvenience in accessing what they needed.

Recurrent funds are never allowed to be used for capital construction. So the building of an indoor swimming pool using funds from non-government sources bears absolutely no relationship to the reduction in the Library budget.

Indoor Swimming Pool

[Accusation: HKUST insists on building an indoor swimming pool, a third pool at the University, over the outcry of staff and the Students' Union.]

Fact: The claim that this would be a "third" pool was based on the fact that there exists a "second" pool for the Distinguished Guest Lodge situated next to the President's Lodge. This pool is very small (only a few meters) and not suitable for use by students and staff.

The Master Plan for the development of the University campus has always included provision for an indoor pool, in recognition of the fact that the existing outdoor pool would be closed every year after November until April. Students, who come in early September and leave in late May, are deprived of its use for exercise or athletic practice.

As it became clear that there was no prospect of a capital grant from the UGC for the construction of this or any other planned sports facility, the Council in early 1997 gave approval for the project to go ahead, on the basis that the entire cost would be met from private funds donated to the University. Later, the Council decided that the scale of the project should be extended to include a laboratory for marine research, to be built directly under the pool, in order to save land. In addition to athletic training and practice, some 600 students, staff and other campus residents use the existing pool daily in summer months. The indoor pool, when completed, will be a valuable addition to the sports facilities available to users.

Staff and students have not raised objection to the Council or Administration on this matter.

Construction Cost Overrun

[Accusation: A gross cost overrun occurred during the construction of the University's campus.]

Fact: The Government had an order of cost for the new university's campus, based mainly on the cost of building Phase I of the City Polytechnic of Hong Kong. This order of cost, indicated at \$1,620 million, was not a budget and had never been submitted to the Legislative Council (LegCo) as such.

After a site had been selected for the University, and as the final design of the campus was completed, a cost estimate was prepared which took into account the conditions of the site and the inordinately high rate of inflation. This estimate was submitted to the LegCo in 1990, and was approved unanimously. The approved budget amounted to \$3,548 million.

The Jockey Club went on to manage the entire construction project, and completed the work on time, below budget. The total cost, at \$3,244 million, was 8.6% below the LegCo budget. The entire surplus of \$304 million was returned to Government.

According to a thorough analysis carried out and published by Prof. Anthony Walker (Professor of Surveying at HKU), the construction cost per square meter turned out to be comparable to similar buildings constructed elsewhere in Hong Kong during the same period, and was considered to be of good value.

The total expenditure turned out to be much below LegCo's unanimously approved budget. There was clearly no "cost overrun".

President's Salary

[Accusation: HKUST's Council violated Government's policy in supplementing the President's salary upon the renewal of his appointment, making his salary higher than that of the other universities.]

Fact: In 1996, Government re-determined the salary levels of all university presidents. Future salaries for the presidents of HKU, CUHK, and HKUST would be pegged at D8, rather than the existing figure of 98% of D10. For serving presidents, however, whether a reduced salary should apply at the time their agreements were renewed was to be decided as each case arose.

President Woo's agreement expired in September 1998. The Council considered that Professor Woo as founding President had made tremendous contributions to the establishment of the University. The Council decided to renew his contract for a further period of five years and on existing terms. In making this decision, the Council took note of the fact that the Government would only pay the University (for its presidency) an amount equivalent to D8 salary. Hence the Council decided to make up the difference from private funds. This was done with Government's full knowledge and understanding.

There has been no increase at all in President Woo's salary, which is exactly the same as that of the presidents of HKU and CUHK.

Appointment of Pro-Chancellor

[Accusation: The new Chairman of the Council and the President benefited Dr Sze-Yuen Chung by appointing him to the post of Pro-Chancellor.]

Fact: The University Ordinance, enacted in 1987, contains the following provision:

"The Chancellor may appoint a person to be the Pro-Chancellor of the University. The Pro-Chancellor may, on the authorization of the Chancellor and on his behalf, exercise any of the powers and perform any of the duties conferred or imposed on the Chancellor."

The two local universities in existence at that time, HKU and CUHK, each had a Pro-Chancellor, and it has been the practice at those two universities for the Pro-Chancellors to be appointed by the Chancellor (Chief Executive of the Hong Kong SAR) from among past Council Chairmen.

The appointment of Dr Sze-Yuen Chung as Pro-Chancellor of HKUST with effect from 1 April 1999, on completion of his term of office as Chairman of the Council, was therefore entirely consistent with local practice, since he was the *only* past Council Chairman. It allowed the University to retain its links with, and receive advice from, a person who had provided distinguished leadership to HKUST from its earliest days.

In terms of official authorities, the local practice has been that the Chancellor retains all of his powers, leaving only ceremonial duties to be performed by the Pro-Chancellors.

Dr Dekai Wu's Promotion

[Accusation: Dr Dekai Wu, the President's son, was given rapid promotion when other assistant professors had to wait 10 years.]

Fact: Dr Dekai Wu was recruited to join the Computer Science Department as an Assistant Professor in October 1992 after his PhD from UC Berkeley and postdoctoral work at the University of Toronto. His contract was renewed to 1995-1998 after passing successfully his first 3-year contract review. The promotion/substantiation review was conducted through the usual 3-level (department-school-university) process in mid 1998 with unanimous positive recommendations. The Vice-President for Academic Affairs, being the approving authority for promotion from assistant to associate professors, approved Dr Wu's promotion. The Vice-President for Academic Affairs also approved, in his capacity as Acting President, Dr Wu's substantiation.

In all these years, the President never saw Dr Wu's file, and was never involved in the appointment, renewal, promotion, or substantiation process.

Dr Wu's promotion and substantiation became effective on 1 January 1999, 6 years and 3 months since he joined HKUST. This was completely normal, since more than 85% of all successful assistant professors at HKUST went through the promotion/substantiation process in 4.5-6.5 years.

Dr Pascale Fung's Appointment

[Accusation: Dr Pascale Fung, the President's daughter-in-law, was promoted three times in one year.]

Fact: Dr Pascale Fung was recruited by the Department of Electrical and Electronic Engineering from Columbia University as an Assistant Lecturer in January 1997. In accordance with the University's usual policy, this title is used only for a transitional period for all appointees who have completed their PhD research and are awaiting their degree. It will be automatically converted to the title of Assistant Professor upon obtaining the degree within a specified time, usually up to one year. For Dr Fung, this occurred four months after her recruitment, when she received her PhD in May 1997.

The success in making the conversion from an Assistant Lecturer to an Assistant Professor was a condition in all such appointments, not a promotion.

At present, Dr Fung is undergoing the standard review process associated with her first 3-year contract with HKUST. To date, she has not received any promotion whatsoever.

Dr Dekai Wu's Research Funding

[Accusation: The University allocated \$4 million of its funds to Dr Dekai Wu for his research.]

Fact: The research funding in this context refers to the RGC's Central Allocation Program. It was provided through open competition by the RGC for supporting collaborative research, not distributed by, or within, the University. Each tertiary institution was invited to submit several proposals to the RGC for competition. At HKUST, this program was administered and the proposals were screened by the Committee on Research Infrastructure, which was co-chaired by the Vice-President for Research and Development and the Vice-President for Academic Affairs and included in its membership all four Deans.

For the year 1997-98, one of HKUST's three successful proposals was "Language and Speech Technology Research". An amount of \$3.9 million was awarded by the RGC to a team of seven members, mostly from the Department of Computer Science and the Department of Electrical and Electronic Engineering. Professor Roland Chin, Head of the Department of Computer Science, led the team as the Principal Investigator, and Dr Dekai Wu was one of the seven team members.

Quality of Teaching

[Accusation: The UGC found HKUST's teaching to be of low quality.]

Fact: The UGC conducted a review on "Teaching and Learning Quality Process" at all eight institutions. It criticized HKUST on the process used, and made suggestions for improvement. The report specifically stated that the review was on the nature of the *process*, not on the *quality of teaching*. In fact, on the quality of teaching, several good practices at HKUST were praised by the UGC.

The quality of teaching can be best reflected by how well the students have learned and how well the graduates are employed. HKUST's graduates have been successful in finding employment; the rate of unemployment has been consistently lower than most other universities. This has remained true even during the current economic downturn.