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Managing Higher Education: Introduction¹

For various reasons, there is currently an extensive debate on the actual situation and the future perspective of higher education systems. Some authors have stressed the difficulties of preserving the university project in the presence of other agencies apparently more effective and profitable in producing knowledge. Others argue that the proliferation of establishments and institutions with capacities of professional instruction tend to reduce importance to the classic university, pointing out the limits of the historical model. Others still notice the difficulties with which the public university is faced, forced to work with a new generation of public policy in higher education. Finally, some recognize or reaffirm their confidence in the capacity of the institution to advance to the rate of the innovations and, still more, to generate the dowry of knowledge required to drive economic and cultural systems of innovation and creativity.

The positive interaction that takes place among the increasingly knowledge base, productivity, and competitiveness is generally acknowledged. In developed economies, there is sufficient evidence demonstrating that sectors that systematically take advantage of scientific knowledge and a well-educated labor force grow more quickly and generate greater gains. The social recognition of the importance of making higher education systems into national models of growth and development and the value of knowledge and information as factors of productivity and competitiveness has given rise to an increased demand for university education. On the one hand, the modern sector economy requires professional competencies on a university level. On the other hand, young people and increasingly adults as well see in the university formation a privileged mode of accessing the limited opportunities offered by the most dynamic segments of the economy.

A new wave of growth and expansion thus characterizes systems of higher education around the world today. In addition, multiple transformations of academic and organizational structures have been experienced. We can emphasize, in order of importance, the following: the diversification of institutions, functions

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and sources of financing; increase of the private supply in higher education; strategic alliances between universities, corporations and the public sector; international convergence and isomorphism of educative and organizational models; coordination at a national and regional level; major reforms of university government; new models of public resources allocation in higher education institutions; intensive interaction between universities and interest groups, professional organizations, and other representatives of the civil society; decentralization, regionalization and internationalization of public and private supply; administration and governance based on strategic planning, evaluation and accountability; accreditation and certification of programs, establishments and individual performance; methodologies of academic quality-assurance on the supply of higher education; curricular flexibility, educative models focused on learning and oriented towards acquiring professional competencies; systems of open and long-distance learning, lifetime learning, recycling of competencies, etc.

Ultimately, transformations can be summarized in three major processes: the increasing importance of higher education as a development factor and competitiveness; the increasing demand of higher education from the productive sector and of the population; and the movements of adaptation of higher education systems and institutions to the new challenges of the global context.

Alongside the academic debate, in most of the advanced countries there is a generalized perception on the necessity and advantages to move towards a stage of development described in terms of knowledge society. This notion, in spite of its ambiguity, has taken ground in the political arena. Usually it is used in two different ways. First as a descriptive term that refers to a new dynamic of technological change has been emerging in the last decades. Secondly, as an axiological notion that alludes to the aspiration to transform the fields of the production, distribution, work and education by means of constructing systems of innovation with both a national and regional scope.

In addition to the strain of global competition, these tendencies have taken place in a scene of relative retraction of the state as a relevant economic agent and a central agency for the provision of public goods and within the framework of a generation of public policies articulated around what is called "new public management." In Europe since the 1990s the critical revision of the British and American approach of public policy managerialism gave impulse to reforms in public administration with shared objectives of efficiency, social sensitivity and public responsibility.

In the last fifteen years, as a result of normative and institutional changes, the higher education systems and the university institutions in Europe have modified in significant aspects traditional forms of government, organization and management. These systems and institutions have simultaneously increased their autonomy and interaction with the public sphere and the state. On the one hand, a greater capacity of self-government has come as much from the diversification of sources of financing and by means of the improvement of the capacities of government and management through reinforcing the executive role of the authorities and more focused action of university collective organs on academic subjects themselves. On the

other, the new accountability approach has implied the increased participation, direct or indirect, of governmental agencies with audit missions, and civil organizations and/or professional bodies that can act as authorities of social control. The managerialism wave has also interested other aspects of the university life, especially academic work and forms of university integration, not always without tensions between the new and the traditional perspective based on meritocracy, academic freedom and self-control of the academic agenda.

Another issue of great importance in the contemporary process of university transformation comes from the new conditions of international competition in the context of the globalization. In particular, the agenda of the European Union, its reflection in the Process of Bologna and the building of Higher Education European Area have oriented major changes, quantitative and qualitative, in the management and academic orientation of the universities in the region and influenced in different ways university reform in different parts of the world. For reasons of competitiveness and by the way of market-oriented forms of legitimation, as the global rankings, the American university model has expanded its national scope, and is now perceived as a universal paradigm. The Americanization of higher education has in recent decades become a powerful force of change in the university field.

In the light of the complex processes of transformation that are taking place at the universities, and considering the results of the trends described, the editors considered the following question: How have different countries and institutions reacted to the challenges of change? The contributions in this volume offer an interesting and fruitful range of answers to this question.

This volume begins with a piece by *Dilger*, describing the German university as basically a cooperative. Groups of stakeholders, most prominently the tenured professors, run the business. But from a financial point of view, it is a hybrid, the financial resources stemming mostly from tax money. However, elected officials in democracies felt wary of administering such an expert system directly and were looking for other ways of monitoring. Universities were granted a certain degree of autonomy, and to secure the system from being exploited the distribution of material resources to individuals was severely restricted.

But there are other forms of private or group appropriation, most obviously relative freedom in time allocation. And since everybody may – one day – profit from such leniency, the collegial control among professors is very weak. However, although shortcomings of the strictly co-operative model of self-governance are quite clear, the prospective gains by a more managerial type are far from certain. And timid amalgamations may simply combine the worst of both types. This is especially true when at the same time the financial allotments are reduced, thereby stripping the system of the resources to adapt itself to the new forms of governing.

Another defense of the more traditional type of governance is done by *Ibarra-Colado*. Although Europe is the focus of most of the contributions in this volume – due to the very dynamic development in the course of the Bologna process – at least virtual globalization leads to similar paths elsewhere. For Mexico and also for most

Latin American higher education systems, the dynamic of change come from the public policies that were derived from the undertaken programs of structural adjustment (“ajuste estructural”) developed since the 1980s. For Latin American countries the structural adjustment was reflected in an important level of containment of the public budget, especially in social programs that include the educative branch, in face of the fiscal deficit produced by chronic public debt. In addition, priority was given to the reform of public administration with the goal of the efficient operation of government organizations, among them the public universities. This process, combined with the world-wide dynamics of globalization and generalization of a neoliberal approach in the public policies, gave rise to the development of a new set of instruments and incentives to regulate.

The Mexican case, examined by Ibarra-Colado, although widely comparable with the main Latin American higher education systems, offers a particular description and explanation on the associated mechanisms, instruments and processes of change involved in the new approaches of university policy. In particular, he emphasizes the implantation of the enterprise approach in the university administration (entrepreneurial university) and analyzes in what sense this approach enters in tension with the autonomy traditions, academic freedom and university self-government. At the end of his contribution, Ibarra proposes an alternative academic model opposed to one based in the entrepreneurial approach: the “participative university” focused in a rebuild of the rules of participation of the academic community in the university decisions.

The so-called reform process is nowhere without costs. An interesting empirical investigation was undertaken by *Roebken*. Using longitudinal data about the succession among university presidents in Germany, one of the hypotheses tested is, that the organizational stress due to the changes in the university system negatively affects the average tenure. And indeed, a decrease since the early 1990s in this variable is measured. This is definitely a change of the trend, which moved in a different direction up to this time.

But a difference in the number of years in office could be explained by many factors. A prominent one is the size of the organization, which also may move over the time, when the number of students are increasing. However, the existing literature about size and presidential term lengths names arguments in both directions, the size of the university may positively or negatively be associated with presidential tenure. Another set of intervening variables concerns stressors, i.e., outside pressures on reform and financial shortenings.

A multivariate analysis for the period from 1960 – 2001 yielded that size matters somewhat, very small institutions showed shorter tenure data than the bigger ones. This may indicate less structural inertia. Two relevant stressors over time were also significant and worked in the expected direction: less money meant lower tenure, and the same is true of more rhetoric on reform necessities. However, less money for third party research funds did show the opposite direction: it enlarged the tenure. One possible explanation is, that such funds are accessed at a more decentralized level of universities and that a higher degree of independence of departments or institutes due to additional financial means from outside may add to the

stress of the central level of administration. Generally, Roebken's conclusion is not too hopeful: from the data there are clear signs of an university system under stress, but in loosely coupled systems may a faster leadership succession have more costs in undermining trust than benefits by delivering new innovative leadership.

A comparison between the university management in two neighboring countries is done by *Kehm/Lanzendorf*. The educational systems in Austria and Germany show traditionally a high degree of similarities, and the respective developments are closely monitored by politicians and administrators. However, sometimes the pace is different. In recent years, Austria has undergone more profound changes in university governance than its northern cousin. From the subservient status of being only a department of the federal ministry the universities now are independent public entities with the freedom to spend their lump sum budget freely or hire their personnel without interference from the ministerial bureaucracy. The supervisory work is done by newly established university councils, and the allocation of funds by performance indicators will follow soon. Germany, where not the federal government, but the *Länder* are responsible for the universities, shows similar trends, but usually somewhat weaker.

To analyze developments in both countries, the authors look at all dimensions, taking into account the decisions at a macro (government), meso (central administration), and micro (academics) level. In interviews with representatives of two subjects, one from the humanities, one from the life sciences, questions about the changes in governance were asked. *Kehm/Lanzendorf* did find that the new type of managerial governance regime is a combination of strong external guidance, competitive pressure and hierarchical self-governance. Generally, presidents did prefer the new ways, seeing more chances for the universities. Deans were not hostile either, but were also still a stronghold of academic self-determination. And individual academics most often dismissed the changes as not relevant to their research work. What was relevant, though, was the increasing burden by administrative work, by reports, writing research proposals and answers to external evaluations. In general, in both cases, the relevance of the new type of governance was limited, and increasingly scarce resources may have had more impact on decision making.

Another set of interviews with university presidents was done by *Carney*. And although the situation in Denmark, his field of study, historically seems to differ considerably from the Austrian/German-type, the development looks rather similar: transferring power to an outside board and strengthening of the chief administrator being the most prominent features. Denmark seems to be even more radically "Americanized", since under the new law rectors also appoint the deans. In an ethnographic approach the shaping of a new "heroic" leadership is analyzed.

But since leaders with such searched-after qualities are ultimately bound to strings of legitimacy, an artificial introduction may lead more to additional problems than to solutions. To test this hypothesis, interviews were carried out with chief administrative and controlling personnel at different levels in three Danish universities. Board members generally did support their new role, but the practical work seems often done by the rectors and sometimes also by the board chairperson. It is interesting to notice, that although the power of the remaining participatory institu-

tions, especially the senate, did shrink considerably, at the same time the discussion process grew nevertheless more clandestine. For Carey, the contradictory way of the Danish university reform can be termed "elitism in the service of collectivity". In need is a research program to have a closer look at the personalities of those who will work under such conditions.

One of the explicit targets of the Bologna process was the streamlining of academic degrees in Europe. *Kruecken* shows details for Germany. Two sets of questions are especially important for researchers: the analysis of the basic driving-forces behind this movement and the chances and limits of competition in academics, the main emphasis of the reform. Again, this is an empirical paper, resting on interviews with representatives from universities in North Rhine-Westphalia, by far Germany's most populous *Land*.

And the interviewed point to one direction: in only a couple of years the introduction of BA/MA-degrees will be nearly total. This remarkable similarity of outcome can be explained by many mechanisms. A mixture of direct pressure from the ministries, the transfer of quality control to special accreditation agencies – hitherto unknown – and a “mimesis” part played a role. The actors thus now subscribed to the idea of competition, a significant departure from earlier concepts, where the public-goods-aspect of higher education was prevalent. However, competition is still more regional interpreted than conceived at a European level.

The change from traditional academic degrees to BA/MA programs are not the only news for students. Whereas in traditional public universities students are more seen as the passive object of teaching endeavors and sometimes on a smaller scale also as co-operators in administration, in the modern organizational type they are increasingly interpreted as customers. *Hilbert/Schoenbrunn* show the difference of the two concepts. “Student Relationship Management”, a derivative from Customer Relationship Management, is an effort to bind students as long as possible to an institution of higher education. Here again, at least the notion of intensified competition between universities among their administrators is the background of the paper.

However, universities deliver quite peculiar services. Especially important is the notion that students with their intellectual capabilities and motivations are a part of the learning process. To support this collaborative effort, many things are required, especially sufficient information for prospective students as early as possible, the improvement of the service quality and the monitoring of the teaching quality during the period of study. Seen from the technical side, portal-solutions play a critical role, thereby also opening the door for comprehensive data-mining. Student Relationship Management doesn't stop after graduation, it also encloses an active alumni policy.

Alumni are also crucial for the argumentation of the last paper. In market-driven educational systems the difference between real costs and tuition fees can serve as an indicator of trustworthiness in the quality of the education. In so doing, the university commits itself to the successful employment of its graduates, and by accepting this risk ensures that it is convinced of the superiority of its education. An

alternative is a bureaucratic model, where the government or its agencies validates educational quality.

And although the notion of an increasing international competition and streamlining can be seen as prevalent in most of the papers collected here, national peculiarities may still be visible. Different nations developed different “model educational paths” for signaling trustable potencies and created thereby path-dependencies. As *Franck/Opitz* argue, the special situation of the traditional German doctorate is – at least in some areas – much less a diploma in advanced research but a signal in managerial talent. In a comparison of France, Germany and the U.S., the authors find that in Germany the doctorate is a substitute for the American market way of reputation and the French path of a strict hierarchy of examination outcomes. In using the interests of German professors in their personal reputation status and their relative leeway to choose their own Ph.D.-candidates, employers can rely on a strong screening. In an empirical test *Franck/Opitz* are able to show that not only the amount of German top managers with a doctoral degree is much higher than in the two other countries but that also the concentration on only several so-called elite institutions is less marked.

However, the Bologna process also envisioned a third phase, with a structured Ph.D. program. Increasingly, German universities follow this path, supported by state academic policy. For academic success, this has certain advantages. But there is also a price to pay. Candidates wishing to pursue a career outside academia no longer fit in, and may be forced to search for new ways to signal their potential, e.g. looking for a degree from institution abroad with a high market reputation.

Again, path dependencies in higher education are strong and artificial implementations of only single elements from other systems tend to increase the complexity of problems. As the first paper noted: “The state is making some crucial reforms that transform the university model or may even destroy it. In any case, the process of change is slow, painful and open-ended.”