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## SHIFTS IN GOVERNANCE ARRANGEMENTS

### *An Interpretation of the Introduction of New Management Structures in Higher Education*

#### 1. INTRODUCTION

The introduction of new management structures in higher education can be discussed from various angles. In this chapter<sup>1</sup> the main angle used is that of the changing relationship between the state and the public sector, more specifically, the shifts in governance arrangements that are accompanying the changing relationship. As such this discussion can be regarded as a follow up to the first Douro volume that opened with the statement:

A common theme in the dramatic restructuring of higher education throughout much of the world over the past few decades has been a shift in the relationships between universities, and other institutions of higher education, and the state (Reed, Meek and Jones 2002: xv).

Governance arrangements are interpreted here generally as the set of institutions which governments are using to govern society, that is, to “exercise collective control and influence over the societies for which they have been given responsibility” (Peters 2001: 1). Over the last two decades the traditional, national governance arrangements, as developed and used throughout most of the 20<sup>th</sup> century, have been heavily critiqued, and gradually replaced by alternative, multi-level arrangements. This reform process was driven both by ideological and pragmatic motives. However, the governance reform has not resulted in a new set of permanent and stable arrangements. In many ways it has led to continuous reform in the industrialised, Western democracies. Also in developing countries and the so-called emerging economies (e.g. in Central and Eastern Europe),<sup>2</sup> governance reform has been a frequent item on the political agenda, amongst other things, as a consequence of the pressure of international agencies, such as the World Bank (Torres and Schugurensky 2002).

This general pattern can also be observed with respect to higher education governance. Since the mid-1980s, reforming the governance relationship between the state and higher education has been a constant item on the political agenda of most countries. These reforms were initially ideologically driven, but gradually became more pragmatic. In this chapter, the first round of reforms will be discussed as well as the role public sector management played in these reforms. With respect to higher education, institutional management will be discussed without making a

distinction between academic and administrative management, unless indicated otherwise.

## 2. MANAGEMENT REFORM IN HIGHER EDUCATION

Governments at various levels are responsible for the regulatory frameworks within which higher education institutions are expected to perform and within which they have to manage their activities. Therefore, any discussion on changes in institutional management structures in higher education must include an interpretation of these frameworks and the way in which they regulate the management tasks of universities and colleges. Before starting this discussion the following questions are raised: What is meant by institutional management in higher education? How does it compare to related concepts referring to the task of running a higher education institution, more specifically, institutional leadership, governance and administration? In practice the activities covered by these concepts cannot always be distinguished from one another. Nonetheless, in the first Douro volume a useful attempt was made to discuss the differences between the related concepts (Reed, Meek and Jones 2002). Reed and his colleagues focused especially on governance and emphasised that a common element in the conceptualisation of governance in the various chapters of the book “is the notion of relationship or dynamic interaction of bodies and groups operating at different levels of a higher education system” (p. xxvii). Referring, amongst others, to Gallagher (2001: 1) they further suggest that, in higher education, institutional leadership is mainly about strategic direction giving and setting; management is about outcomes achievement and the monitoring of institutional effectiveness and efficiency in the distribution of resources; and administration is about the implementation of procedures. These interpretations are in line with the above starting-point that governance is about the frameworks in which universities and colleges manage themselves and about the processes and structures used to achieve the intended outcomes – in other words about *how* higher education institutions operate. This implies that governance is a “relational concept that can be considered to incorporate leadership, management, and administration” (Reed, Meek and Jones 2002: xxvii). This again shows the importance of discussing ‘shifts in governance’ for understanding the nature of changes in institutional management (and leadership and administrative) structures.

In examining the nature of the management reforms in higher education, it is of relevance to point to the general feeling that academic life is not what it used to be. Many changes, amongst other things the aftermath of the massification of higher education, have altered it beyond recognition. As a consequence, the question: “Who is actually in charge in a higher education institution?” has become very relevant. Anyone familiar with the complexity of current day higher education institutions will have to admit that it is not easy to give a straightforward answer to this question. Reflecting upon this complexity, many academics tend to refer to the good old days when decisions in academia were made in a collegial atmosphere without serious outside interference. These reflections are without any doubt nostalgic interpretations of a past that has become more and more idealised in comparison to

the current situation in higher education. To summarise and paraphrase opinions often heard amongst academics: "When higher education institutions were run on the basis of the collegial model we were all better off in academia"; "The current university managers are more driven by economic than by academic considerations"; and "A higher education institution is not a shoe factory and therefore cannot be managed as a shoe factory". However, as is indicated by Kogan (1999: 264):

This romantic view of academic government did not, however, show how essential collective decisions were reached. Later work showed how decisions made within diffuse sectors of the university became regularized as procedures and eventually structures, thus political and organizational models of decision making were bridged.

The main underlying worry is that external interests have become the driving force behind the reforms of the management structures of universities and colleges (Neave 1996: 404). In other words, the control by academics of the internal affairs of the university is threatened. What is the origin of this threat? How can it be interpreted?

Higher education has traditionally been a social institution allowed to govern its basic teaching and research activities through a form of collegial self-steering. In Continental Europe, for example, this implied for the universities that various intra-institutional governance bodies and an institutional leader (rector or president) (s)electd from among the highest professorial ranks, were seen as support structures for academic activities, teaching and research. Gradually the internally controlled, 'collegial' decision-making structures have been replaced by some form of externally oriented management structure. Already in the 1960s, reference was made in the USA to 'The Management Revolution in Higher Education' (Rourke and Brooks 1966; see also Keller 1983). This 'management revolution' consisted of a formal, internally and externally driven, strengthening of the management positions in public universities and colleges.

Throughout the 1980s, higher education in other countries, especially in Europe, Canada, Australia and New Zealand, entered the 'era' of management-driven higher education, later followed by most of the rest of the world. While this development is characterised by a great diversity between countries with respect to the nature of the changes in practice, one thing in common is the belief that the more government withdraws from steering higher education, the better the sector will perform (Goedegebuure et al. 1994; Meek 2002).

A concept often used to refer to the management reforms in the public sector is new public management (NPM), while with respect to higher education the term 'managerialism' is used more frequently to refer to the same phenomenon. However, we can wonder whether referring to the management developments in higher education by using these terms helps us to better understand this phenomenon, amongst other things, since both terms have multiple meanings, as is extensively discussed by Meek in the introduction to this book. They do not represent a particular narrow band of possible approaches for public management reform. With respect to higher education, the diversity in the nature of the strengthening of the management function, culture and structures is referred to, for

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