

Chapter 2

External Terrains and Institutional Architectures

Introduction

It is an anxious time for many within higher education. Insiders with substantial tenure query accountability calls made by systems and institutions. Incumbent academics negotiate more particularised management and outcome expectations. Doctoral graduates feel for footholds among slippery workforce arrangements. Governments and international agencies hunt for organising narratives. Students, graduate employers and research clients navigate for opportunities to engage with higher education.

Every person experiences higher education in a unique way, but generalised anxieties are driven by broader forces. To help position the balance of this book, Chap. 1 analyses the contexts that appear to be reshaping higher education in significant ways. I present a case study of Australian higher education. In the final section of the Chap. 1 unpack implications for emerging institutional forms, and hence for leadership of higher education.

Dynamics Shaping Quasi-Markets

Higher education is a very contextualised activity, even in its most elite or conceptual instantiations. Working from Coates and Mahat (2013, 2014a, b), this section reviews a handful of intersecting and intensifying contexts shaping systems,

institutions and people.¹ It addresses how each context drives greater interest in transparency. Together, these investigations paint a picture of what might be described as ‘quasi-markets’ (see, for instance: Kähkönen 2004; Bertolin 2011) for learning, including changes in the phenomenon of higher learning itself. These matters travel beyond conventional notions of governance to instead clarify the ecology shaping contemporary higher education.

A general need to analyse transparency goes to fundamental transformations shaking higher education. It is useful to sketch them as a prelude to subsequent analysis. In most countries, university education is in unprecedented demand (British Council 2011). In 2011, for instance, OECD estimated that global demand could reach 265 million by 2025, increasing by around 100 million since 2009. A range of factors contributes to growing this demand. The bachelor degree, and increasingly the master degree are required (Coates and Edwards 2009). Professional work grows in complexity, requiring more expansive knowledge and skill—particularly ‘21st century skills’ (WEF 2015). As well, people are moving through more jobs, necessitating new and enhanced training across their careers. Of course, there are broader reasons why people seek higher education, such as increased civic participation (Scott 2010), building networks, and forming personal and intercultural skills.

Supplying quality and efficient higher education to meet this increased demand is challenging. Many collegial approaches to higher education do not scale well, technically or practically (Coates 2015). The governance, leadership and management arrangements of many traditionally structured institutions are not intended for environments characterised by universal levels of provision and increased student contribution. As explored below, scaling higher education to this extent can create discontinuities across disciplines and academic functions, pressure conventional forms of academic work, require new forms of governance, and require the need to more explicitly engineer and manage previously tacit forms of community. Over the next few years, supply is also likely to be choked by academic work and workforce constraints (Coates and Goedegebuure 2012; ACE 2014; Hugo 2014).

Cost is perhaps the key pressure shaping higher education and the broadest contemporary spur for greater transparency. Even among other service industries higher education stands out as being particularly afflicted by what Baumol (1967) described as the ‘cost disease’. Universities have large infrastructure costs, large labour costs and rely on expensive face-to-face provision. This underpins high fixed and variable costs, and limited economies of scale. The ‘traditional’ university model is not highly expandable without seeing diseconomies of scale, particularly in such a highly person-centric services sector that manifests several growth-inhibiting

¹The following text builds on: (1) Coates, H. & Mahat, M. (2013). Assessing student engagement and outcomes: Modelling insights from Australia and around the world. *International Journal of Chinese Education*, 2(2): 241–264. (Brill) (2) Coates, H. & Mahat, M. (2014a). Threshold quality parameters in hybrid higher education. *Higher Education*, 68(4), 577–590. (3) Coates, H. & Mahat, M. (2014b). Advancing student learning outcomes. In: Coates, H. (2014). *Higher Education Learning Outcomes Assessment: International Perspectives*. (Peter Lang).

factors. This puts increasing pressure on institutions to explore revised cost structures, and indeed in many instances simply to develop better systems for measuring and hence managing cost. Many have noted the urgent need to boost university productivity (for example: Auguste et al. 2010; Massy 2013; Sullivan et al. 2012). High costs intensify requests for increased disclosure.

But revenue as well as expenditure is being squeezed. Coupled with cost pressures, universities in many countries (e.g. Australia, Canada, China, Germany and United Kingdom) have only limited capacity to set tuition prices. In domestic markets, regulation and subsidisation tend to nourish elite oligopolistic clubs, which would enable universities to function as ‘price makers’ were it not for the typical imposition of tuition price ceilings. Internationally, universities tend to be ‘price takers’ like any others, competing on the open market for research funds and student numbers. Compounding these pricing pressures is the emergence of new institutional players which can offer higher education services at substantially lower cost, and often without the kinds of price regulation that bind public providers. Understandably, transparency pressures mount with tilts towards decreased regulation or price control.

As explored below, the proliferation of institution and programme rankings also exacerbates the evolving thirst for greater transparency. But more broadly, governments are demanding that institutions detail activity, and prove performance and standards (EC 2013; TEQSA 2015). Potential students and their families are seeking information on education to guide their investments. Business is seeking reliable data to guide graduate recruitment and research partnerships. Many of these transparency developments are international, working off ‘found data’ and restricting the capacity of institutions or governments to establish or control reporting. Institutions can attempt to manage and assure the data that feeds into such processes. Various institutions have hired ‘rankings coordinators’, and an increasing number are hiring consultants to assist with positioning. But much can already be sourced passively by third party websites or agencies.

At the same time, universities are confronting new commercial constraints. Though various facets of university research activity have long had commercial flavours, new economic pressures are enveloping core education business. New streams of often private finance are flowing into higher education, seemingly in loose counterpoint to the diminution of government subsidy. This kind of money can create problems for universities, imposing new obligations—for instance, around intellectual property and disclosure—which mix uneasily with basic tenets of scholarly work and conventional transparency demands. While various intellectual property models attempt to span the divide, ‘commercial transparency’ and ‘scholarly openness’ differ in theory and practise. This situation pressures universities to rethink collegial conventions regarding knowledge creation and dissemination, many of which are tacit. Who owns knowledge and how freely can it be accessed, and shared? Deliberation about these matters multiplies in certain areas like health and medicine, which must also embrace complexities around confidentiality and security.

Among all this flux, many institutions are facing enormous stratification pressures in new global ecosystems. National systems are not knowledge islands—academics, students and ideas travel widely among systems. In many advanced economies, it seems increasingly fruitless to seek ‘national sense’ out of either research or education, for so much of higher education is international in essence. New transnational influences are eroding the national barriers that protected most universities. Institutions are situating, though mostly being situated, by emerging borderless orders partly driven by student markets and preferences. Kennie and Price (2012), for instance, detail a taxonomy of an emerging international ecosystem, which structures the landscape by selectivity (open/elite) and funding (public/private). Van Vught (2012) writes of a hierarchy consisting of the top echelon, international research universities, a range of niche/specialised institutions, a plethora of local teaching institutions, and a set of virtual global players. In another version, Barber et al. (2013) propose another taxonomy—the elite university, the mass university, the niche university, the local university, and the lifelong learning mechanism. Of course, taxonomies to date are driven by available metrics and perceived correlates of reputation and prestige. Profoundly different orders may emerge given different status markers, as this book itself concludes.

Against these stratification pressures sit a host of governmental and institutional desires for diverse higher education systems. Systems desire policies that maximise the value and reach of ever more scarce public funds. Institutions seek uncontested market space or ‘blue oceans’ (Kim and Mauborgne 2005) that deliver alpha performance in increasingly contested terrain. Both eschew isomorphism that leads to structural inertia. But finding and establishing difference gets harder just as it becomes more important. Beyond initial decision-making, detecting, driving and substantiating strategic difference hinges ultimately on evidence of quality and performance. Institutions that seek differentiation in terms of education, for instance, will need evidence about their efforts and success.

Education fundamentals are changing, spurring greater transparency. Like many other goods, knowledge is being flat-packed. As flagged, universities are facing business pressures arising from the promulgation of online, open-access, proprietary curriculum products. Protecting access to knowledge resources once gave higher education a strategic edge. Until very recently, universities could distinguish themselves through the substance and quality of curriculum materials. Institutions with access to leading professors/experts, with ownership of distinctive technologies, and with expensive facilities, had relatively exclusive access to knowledge. In many areas of higher education this exclusivity has gone—the internet and global flow of talent are servicing what major research institutions referred to nearly a decade ago as the ‘open courseware initiative’ (MIT 2015). The new knowledge architectures lead to reconceptualisation and reform of how higher education is conducted. Providers can recode and recompile information, repackaging it in myriad ways to suit different individuals and groups. Easier access to curriculum, however, does not imply competence. Redistributing energy from inputs (like access and admission) to outcomes (such as learning and professional outcomes) can re-energise higher education.

The fear of technology replacing higher education seems to have faded. Instead, technology now seems a prime lever for change. A decade ago, books on ‘virtual universities’ (for example: Robins and Webster 2002; van der Molen 2001) seemed to trump sales, but such literature is being reprinted now that more sophisticated software is available (Daniel 2012; Christensen and Eyring 2011). What once higher education purists eschewed as ‘programmed learning’ today may be seen as ‘authentic pedagogy’. The physical university has not died, but e-learning has proliferated and existing institutions have incorporated it. Despite persistent shortcomings (Coates et al. 2005), learning management systems have automated many core teaching functions. Far from being a backwards slide, however, this refiguring of teaching creates space for innovation, positioning and diversification. The same ‘Psychology 101’ may be ‘implemented’ by a robotic algorithm, a fully tenured professor, or a sessional lecturer, all with different financial structures, market potentials, and intellectual textures. Institutions capture more degrees of freedom to locate themselves in the market. The disruptive consequences for higher education are well-documented (Daniel 2012; Christensen 1997), even though sustainable and fully assured business models for these new forms of provision are not yet established. Finding quality and cost effective ways of automating assessment is a prevailing edge of e-learning innovation. As the next section picks up, these new hybrid forms of provision have substantial implications for transparency.

Looking afresh at core facets of education, and changes to fundamental academic and corporate business, stimulates and magnifies questions about quality. More standardised production of curriculum and provision via learning management systems, for instance, may work to compress quality while at the same time ensuring above minimal levels of provision (Coates et al. 2005). The challenges of achieving higher education excellence are many and difficult to deal with, even without the metamorphoses sketched above. But inevitably, revised assumptions and approaches to core business require new quality assurance perspectives and practises. Wide-ranging work on transparency raises fresh questions and pressures about quality assurance perspectives and methods.

Anyone working in or around higher education recognises that these pressures play out in varying ways at different moments, that transparency is only part of a very much larger story, and that the analysis presented above is inevitably broad and incomplete. Yet taken together, these pressures are provoking many of the current reconfigurations in higher education markets and related approaches to transparency. These reconfigurations are referenced and elaborated as the book unfolds.

Delving Deep—The Case of Funding Policy in Australia

These contextual remarks stretch a little deeper than the scenario posed at the outset. Analysing developments in higher education finance in Australia fleshes out policy-oriented dimensions of the contentions just canvassed. The country has a

mature higher education system of reasonable scale. It shares much in common with many other systems established along British lines, though in recent decades it has developed several innovative dimensions, not least regarding funding, regulation, participation and internationalisation. The following case study analysis focuses on economic facets of three key national policy reforms over three decades. The case study exposes changes in the markets and the ensuing tilt towards greater transparency arising from increased student contribution to higher education.

The Dawkins Reform (DEET 1988) was a landmark change that consolidated and expanded higher education in Australia. Perhaps the most significant in the country's history, these changes involved converting Colleges of Advanced Education (CAEs) into universities, and introducing an income contingent deferred loans scheme, known as the Higher Education Contribution Scheme (HECS). Allied with these changes was development of planning and reporting mechanisms to underpin government and institutional relationships regarding education (including for defined equity groups), applied and scholarly research, institutional workforce and finances.

The reforms sparked substantial systemic change. In the early 1980s, Australia had 19 universities and 75 CAEs (CoA 1993). In 1981, Australia had a total student enrolment of 336,702, of which there were 283,376 undergraduate students, 12,465 research trainees and less than five percent international students. By 2008, there were over one million students, including around 750,000 undergraduate students, 50,000 research trainees and nearly 300,000 international students (DoE 2009a). There were over 40,000 academic staff, and the student/staff ratio had doubled (DoE 2009b; Coates and Goedegebuure 2012). These changes were spurred by a tapestry of factors; not least, the expansion of international education, but it is recognised that foundations were laid by the Dawkins Reforms (Croucher et al. 2013).

The Dawkins Reforms dramatically increased students' contribution to higher education. In indirect terms, it expanded opportunities for obtaining a university degree by markedly increasing the volume of students. Perhaps most importantly, via introduction of HECS, it increased private financial contributions to higher education. Cost for courses in broad fields of study were estimated, then partitioned using weightings reflecting estimations of expected benefit into public and capped private components. The public component varied across the years, but averaged around 60 % (Norton 2012). HECS served as a means of financing the private portion of costs, for though the Australian Government sponsors the debt, HECS is considered a private contribution. Hence, HECS offered a means of scaling participation by removing upfront costs for students and Government, and by linking repayment in proportional ways to future pre-tax income (Chapman 1997). Repayment is via the tax system, and graduates can make additional contributions.

While several national reviews were convened after Dawkins (for example, the 'Crossroads Review' (DEST 2002), and see DoET (2015) for a 'review of reviews') and various features of HECS were revised. The Bradley Review (Bradley et al. 2008) and consequent Bradley Reform (AG 2009), however, are regarded as the

next most significant step along the path of system deregulation and student involvement. Of most current relevance, the Bradley Reform deregulated the quantity of students that a university could admit. It also set expansion targets for the population, and for specific disadvantaged groups. The HECS system was extended, with no major changes, as the means of funding additional students.

This policy appears to have been broadly successful, with many institutions seeking to admit as many students as feasible given education supply constraints and flexible admissions parameters. Indeed, certain institutions pre-empted the formal start date. Overall, numbers grew by around 15 % since 2012 (DoE 2014b), feeding new money into the system. At the same time, there was marked increase in debt associated with financing this increased participation. This debt load has created a repayment risk both for the Australian Government and for individuals who, particularly in the formative post-study years, are often burdened with contingent graduate employment and other forms of personal and family debt (Norton and Cherastidtham 2014). While difficult to untangle from other environmental factors, the expansion fuelled concerns about the quality of provision and graduates in certain fields, and about the quality of graduate employment outcomes (Kemp and Norton 2014). As with the Dawkins Reform, the Bradley Reform shifted the dynamics in the market by prompting increased student contribution to the system, not just in terms of numbers and time, but also by enhancing competition among institutions for students. As a counterpoint to further deregulation, the Bradley Reform recommended a new national standard-based regulator, and the Tertiary Education Quality and Standards Agency (TEQSA) was established in 2011.

In May 2014, the Australian Government tabled a package of reforms (the ‘Pyne Reforms’) in its Federal Budget (DoE 2014a) with a view to further spurring the system on a path of sustainable quality and growth. The policy intent was to further expand and diversify the system by reducing regulation and increasing competition among institutions. Coupled with additional legislation to scale down the relatively young TEQSA (Lee Dow and Braithwaite 2013), these new reforms proposed adjusting various existing parameters such as: reducing government subsidies (by 20 % on average); increasing the interest rate on the existing income contingent deferred student loan scheme (from the Consumer Price Index to the Government bond rate) (Sharrock 2014); expanding the types of institutions able to access government subsidies (including non-university providers); and introducing a new means of funding the participation of students from disadvantaged backgrounds (via new scholarship arrangements). Importantly, these reforms also put a provocative compensating parameter—the price of tuition—on the table for the first time in over 30 years, unlocking a fresh world of economic and education opportunity, complexity and challenge.

There was no open consultation prior to the announcement of these reforms. Prior policy and reviews (for example: Kemp and Norton 2014; NCoA 2014) hinted at this direction, however, the industry and stakeholders received them with alarm. The reforms were much debated throughout 2014, and various modifications were made to the interest and repayment rates, price monitoring, and repayment thresholds. These modifications exacerbated a key inconsistency in the package:

moral risks associated with institutions having freedom to set prices, with the government carrying the debt via HECS without an adjusted commercial rate of return. There were debates about the theory and practise of pricing in emerging higher education economies (Go8 2014; Knott and Gilmore 2014). Interestingly, the general debate focused on ameliorating facets of the package rather than advancing viable alternatives for funding a costly and expanding system (see for example: Norrie and Lennon 2011), though nearly a year down the track several policy analysts started to forge more comprehensive solutions (Parliament of Australia 2015). The tenets of the package were sustained, and the modified package of reforms received support from almost all higher education institutions and many key agencies. Nonetheless, in late 2014 the package failed by a slim margin to pass the Australian Senate. Such a policy, if enacted, carries the potential of substantially increasing both direct and indirect student contributions to higher education, with equally substantial implications for institutions, academics and the system overall.

Combined, these reforms along with other developments left Australia's higher education in a transitional policy/funding phase. In 2012, revenues of public universities totalled \$25 billion, of which just under half (44 %) came from Australian Government grants, just over a third (36 %) came from students, and the remaining fifth came from other commercial, investment and philanthropic sources (AG, 2014a). Australia tracks around the OECD average in terms of expenditure per student (OECD 2014a). The contributions made by domestic students grew from close to zero in the 1980s to a few percent in the early/mid 1990s, and has hovered around 15 % since the mid 1990s (Lomax-Smith et al. 2011) (with international students contributing around 20 %). By most estimates (which are stymied by the lack of accurate cost data within institutions), students contribute around 40 % of the costs of their education (Lomax-Smith et al. 2011; Norton 2012). Clearly, the Pyne Reforms would have increased the student contribution. While alternatives (for example, graduate taxes, commercial loans or general tax increases) were considered (Lomax-Smith et al., 2011; Kemp and Norton 2014; Norton and Cherastidtham 2014), the income contingent loans scheme has to date been a sustaining pillar of the financial architecture.

Australian higher education offers a useful case of a market transforming from one largely dominated by governmental/institutional supply-side arrangements, to one increasingly devolved to student demand. Importantly for both fairness and productivity, the arrangements have enabled students from disadvantaged backgrounds to participate in higher education, though participation rates have not increased so there are doubtless opportunities for improvement. The case provides an interesting means for examining implications of increasing student contributions to higher education, particularly as Australia does not (yet) have a large or established private higher education tradition like countries such as Japan, the United States or Malaysia. Facets of the Dawkins and Bradley Reforms are now well established, but the Pyne Reforms remain in motion, creating space for reflection on opportunities and challenges.

Clearly, prospective and current students as well as graduates develop greater interest in a system in which they vest the highest proportion of direct and indirect contributions. Individuals are likely to seek more information on access, participation and outcomes to guide their investment in higher education. Information needs and assurances would vary across student and education segments, though as discussed below it is likely that several basic characteristics would be useful for framing the transparency mechanisms required. Obviously, despite the general price inelasticity of higher education (Orr et al. 2014), serious problems emerge if study costs hamper the participation of capable but disadvantaged people. As increasingly noted (ACE 2014), changes in the nature, resourcing and potential of higher education would yield changes in the nature of the student body.

There may be a host of implications for academic work and workforce flow if changes are made to the funding base for higher education. Student expectations are likely to change, potentially rewarding quality enhancement and also instrumentalising curriculum, teaching and learning. Additional student contributions also lead naturally to considerations regarding students' agency in the educational process—potentially, from 'student', to 'customer', to 'investor'—and most particularly, conflicts of interest regarding assessment and grading. Increased disclosures about teaching performance would likely lead to increased scrutiny of individual performance, which carries both benefits and hazards if the metrics are not carefully designed and managed (Coates and Goedegebuure 2012). Changed funding and increased transparency carries consequences for other facets of academic work, most particularly research given conventional cross-subsidisation of this activity by core operating grants (Norton and Cherastidtham 2015).

Institutions in Australia have supported each of the reforms outlined above. However, the future impacts of shifting funding dynamics depend on other institutional factors such as market position, programme mix and organisational characteristics. Doubtless, more competitive operating contexts will require more productive management of facilities, workforce, teaching, and research. Regarding transparency, institutions are likely to want substantially more information to help them function in more competitive markets. Information will be sought not only by institutional leaders and managers, but also by deans, department heads, academics and students. Of course, besides insight procured via commercial research, such thirst for information will need to be matched with additional disclosures. These remarks hint towards the system-level implications that arise from such change, not least in terms of understanding and encouraging potential forms of diversification and redistribution.

As is already apparent—and manifest in proliferating benchmarking and profiling activities (Rauhvargers 2013)—systems and international agencies have demonstrated increased demand for information on higher education activity and performance. Particularly with tilts towards increased student 'cost-sharing', system actors—governments, regulators, funders, stakeholders and researchers—need more detailed and timely information about education and research inputs, processes and outcomes.

Emerging Institutional Formations

Unpacking the ‘higher education institution’ fleshes out further dimensions of the contextual observations extended above. Along with the case study of policy developments in Australia, the following institutional analysis helps set the scene for the book overall. More directly, building on earlier analysis in Coates and Bexley (2016),² the discussion frames analysis of emerging institutional architectures that support business models for delivering new educational services that in turn deliver emerging knowledge products.

Though many may resemble each other, there is no such thing as a ‘typical higher education institution’. Rather, there are myriad, irreducibly different forms. Classification structures exist which are more or less formal, or entrenched in practise. The United States Carnegie Classification (McCormick and Zhao 2005), for instance, was developed in the 1970s as a typology of degree-granting institutions. In the United Kingdom and Australia, institutions are bundled according to factors like age, research activity, and location. Internationally, a group such as Universitas21 defines itself as the ‘leading global network of research universities’. As explored later, most existing classifications and networks rest on research foundations, primarily due to the paucity of information on other core academic functions. These kinds of groupings serve multiple strategic and operational purposes—for instance, branding, lobbying and collaboration. Given such variety, for the purpose of this book a ‘higher education institution’ is conceptualised as an institution delivering at least a bachelor degree and, in most cases, engaged in research. This said, the following analysis problematises even this attempt at simplicity.

Organisations are hard to pin down, like any complex, dynamic and highly contextualised phenomenon. Institutional theory, for instance, investigates organisations in detail. In a classic article, Meyer and Rowan (1977: 340) explore the structural formations that emerge from ‘rationalised institutional rules’, and how such rules are formed and reified. In another classic statement of neo-institutionalism, DiMaggio and Powell (1991) explore the broad forces that shape organisational structures and functions. Such theorising is helpful as it confers enduring perspectives that can help untangle perplexing practicalities. However, a more pragmatic approach is adopted for current purposes. It is an approach, which views higher education institutions in terms of ownership, leadership, management and activities. This pragmatic frame provides a means of charting the flow of emerging institutional forms in higher education from the contextual forces sketched above.

The ownership of organisations is a complex matter, but is fundamental to teasing out basic changes to higher education institutions. Ownership can be

²The following text builds on: Coates, H. & Bexley, E. (2016). Organizing and managing university education. In: Leisyte, L. & Wilkesmann, W. (Eds.) *Organizing Academic Work in Higher Education: Teaching, learning, and identities*. (Routledge).

characterised broadly as either public (that is, governmental) or private (that is, held by one or more equity-holders), though particular arrangements play out in very specific ways. Two notable trends can be detected with respect to the changing ownership of higher education institutions.

First, there is an increasing number of private institutions. There are various reasons for this, not least growing political and social beliefs in many parts of the world in the private value of higher education, increasing emphasis on knowledge in advanced economies, and the desire of governments to expand higher education in times of fiscal constraint. The growth of private higher education institutions has been especially marked in Asia and the Middle East, though growth is also evident in North America and Africa. Private institutions themselves exhibit many ownership structures distinguished, for instance, by whether they run for profit or not, the nature and number of shareholders, and whether they are discrete organisations or owned by larger, even multinational, firms.

Second, many public institutions are becoming increasingly privatised. Such privatisation can be distinguished from the growth of fully private institutions, as there is no enduring transfer of public ownership. Such privatisation takes myriad forms, and while these can be opaque and difficult to unpack, the literature on ‘public–private partnerships’ (Grimsey and Lewis 2004) offers a useful conceptual lens. In essence, arrangements can be described in terms of which entity is responsible for construction, management, different facets of ownership and financial flows. Examples in higher education could range from private firms constructing and operating student residences, student management, curriculum development and teaching, with all such developments governed by an existing public university (Norton et al. 2013). Universities are also privatising whole departments, especially in more profitable disciplines such as business, medicine and law.

Institutions vary in terms of how authority is structured and enacted. Authority plays out most visibly in governance and executive architectures, and in strategy. Institutional changes are observable in each of these areas.

Higher education governance takes myriad forms and can be asserted through direct or indirect mechanisms. Changes in both are spurring new institutional forms. Direct forms of governance are exerted through governing boards or councils. The composition of councils that govern public universities may be relatively invariant. However, sub-structures with more commercial flavours may be established to govern specific institutional entities and interests. The councils or boards of private institutions tend to be more commercially oriented to start with. Governance happens through indirect channels too, via the influence of external forces on institutional planning and operations. Here, the big shift is from government to market forms of regulation. And, as institutions open out to play a greater role in public life, many community stakeholder fora are emerging, either in formal review roles or as consultative mechanisms.

Similar shifts carry implications for leadership, which as asserted above, is now more important and challenging than ever. Leaders are under constant pressure to be more responsive to the mounting expectations of governments, the fluctuating

requirements of industries, and the diverse needs of communities and individuals. Tertiary leaders have worked with commercial pressures for some time, but they now face new pressures arising from the recognition of higher education as a key vehicle for workforce development and productivity. Research on tertiary leaders has revealed the additional capabilities such contexts demand (Coates et al. 2013). Along with enduring educational and institutional management capabilities, leaders must be adept at managing commercial pressures of an external nature as well as the institutional implications these convey. More agile and productive organisations are essential for responding to increased demands for industry, business and research translation, for example. This has implications for leadership development. New formal and on-the-job training is required, as are new forms of recruitment (Coates and Goedegebuure 2012; Scott et al. 2008). Rather than simply work up through academic and managerial ranks, leaders benefit from the kind of commercial acumen gained through industry experience. Rather than spend a sabbatical at a like-university, there may be more return from a secondment at an industry partner or government agency.

Changes in institutional governance and leadership are linked with changes in strategy. Of course, the very term ‘strategy’ carries commercial connotations, signalling a shift from a centrally planned, supply-driven system to a more commercially oriented, demand-driven market (Gallagher 2014). Institutions shift from providing education as a public good to positioning themselves in lucrative market niches (Mahat and Coates 2015). This commercial tilt is nuanced in varying ways across countries, but even so there are notable shifts towards the specification of ‘missions’, ‘visions’, ‘goals’ and ‘values’ which signal more externally inflected institutional dispositions and intentions. Almost necessarily, this rouses forms of competitive and commercial behaviour which, as detailed above, place added and often conflicting demands on existing collegial arrangements.

Institutional management is another change vector. The most evident change is to the distribution of the managerial workforce. In Australia, the percentage of non-academic to total staff has remained stable in recent decades at just over 50 % of total non-casual university staff (AG 2015). Yet beneath this apparent stability lie fundamental changes in the distribution of work roles. For instance, Dobson (2012) calculates the proportion of non-academic staff in higher levels of non-academic employment increased from 22.7 % of the non-academic workforce in 1997 to 38.2 % in 2010. Academic management structures have changed too, with changes in size and purpose seeding development of new administrative and matrix arrangements (Leisyte and Dee 2012). This is evidenced in particular through growth in portfolio positions such as that of Pro Vice Chancellor and Associate or Deputy Heads and Deans, and by the elaboration of increasingly complex organograms and functional structures. The nature of management is changing too. Emerging capability requirements mirror those regarding leadership. New roles are being designed, such as hybrid roles blending academic and professional functions like learning designers, academic advisors and teaching fellows (Coates and Goedegebuure 2012; Leisyte 2015). Combined, these developments provoke substantial changes in the managerial workforce, sparking new patterns of hiring and development.

Changes in ownership, leadership and management mirror changes in academic work. In essence, these changes manifest a shift from boutique forms of knowledge production and dissemination to increasingly distributed, virtualised, recombined, packaged and ‘just-in-time’, ‘just-enough’ and ‘just-for-me’ forms of higher education provision. As noted earlier, new business and education models emerge, designed to better match supply with new forms of demand. The identity of a student plays an ever more contingent role in peoples’ lives as they dip in and out of accessing subjects from a range of online providers, paying to build individualised credentials that fit particular professional futures. The applied literature produced by governments and stakeholder agencies is charting thinking in this area (ACE 2014; Kennie and Price 2012; Barber et al. 2013).

This brief analysis reveals emerging institutional architectures in higher education. New forms of higher education have emerged over the last decade. They are now transfiguring core business. Institutions have long outsourced various corporate and research functions, but now they are outsourcing core academic business—and not just to contingent/sessional staff. Accredited institutions are forming hybrid alliances with non-accredited service organisations, seeding derivative joint ventures, bolstering academic governance arrangements, and reviewing the costs of provision. Generally, these service firms (for want of better term) are now well established in many fields, and can do curriculum and teaching cheaper than institutions like universities operating on a legacy business model. The academic ventures vary in structure and substance, and manifest a range of business models and implications for work and outcomes. Essentially, institutions are increasingly commercial, private, virtual and managed. Despite such trends, it has to be noted that many such arrangements are new and untested (Daniel 2012). The end point of these trends resembles the flawed assertions made more than a decade ago (see, for instance: Coaldrake 2000) that universities and faculty would be unbundled into a credentialing skeleton.

One indicator of such transformation is the expanded presence in higher education of consulting firms reaching beyond straight audit functions into the world of strategy, and even further into academic design and practise. One of the largest—Ernst and Young—has advanced a compelling portrait of institutional futures for higher education. Somewhat mirroring the stratification analysed above, Ernst and Young (2012: 5) predict the institutional landscape will include a:

‘Streamlined Status Quo’—Some established universities [that] will continue to operate as broad-based teaching and research institutions, but will progressively transform the way they deliver their services and administer their organisations—with major implications for the way they engage with students, government, industry stakeholders, TAFEs, secondary schools, and the community.

‘Niche Dominators’—Some established universities and new entrants [that] will fundamentally reshape and refine the range of services and markets they operate in, targeting particular ‘customer’ segments with tailored education, research and related services—with a concurrent shift in the business model, organisation and operations.

‘Transformers’—Private providers and new entrants [that] will carve out new positions in the ‘traditional’ sector and also create new market spaces that merge parts of the higher education sector with other sectors, such as media, technology, innovation, venture capital and the like. This will create new markets, new segments and new sources of economic value. Incumbent universities that partner with the right new entrants will create new lines of business that deliver much needed incremental revenue to invest in the core business—internationally competitive teaching and research.

Leaders steering these organisations, Ernst & Young asserts, will need to adeptly embrace contestable markets and funding, global mobility of students and staff, integration with industry, digital technologies, and the democratisation of knowledge and access. Institutions will change to sustain new value propositions and functions, with shifts in customers, product offerings, sales, delivery, student services, and the back office. As always, market power will shape the nature and extent of change.

Taking Stock: Contexts Shaping Change

A great strength of universities is their organisational capacity to morph. But there are limits and as the above discussion brings out, key boundaries are already well stretched. Much more could be said, but my remarks are sufficient to convey the sharp edges chipping away at ‘traditional’ academic systems and their associated, and increasingly limited, forms of disclosure. It seems likely that new higher education shapes, textures and strengths will result.

In the balance of this book, I focus on what this entails. The two chapters in the next part of the book concentrate on unpacking the idea of transparency and setting forth a framework for what it entails. This provides a backdrop to the third part, in which I analyse how the substance and style of transparency reporting might be improved. Advancing reporting alone has the potential to be superficial and fail to generate the more substantial progress required. Prior to concluding, I use the penultimate part of the book to discuss research-inflected opportunities for improving key facets of higher education policy and practise.

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