UiO : Faculty of Educational Sciences
University of Oslo

Changing Perspectives about
Organization and Governance in Higher Education

Lecture 6
Peking-Tampere Online Lecture Series on
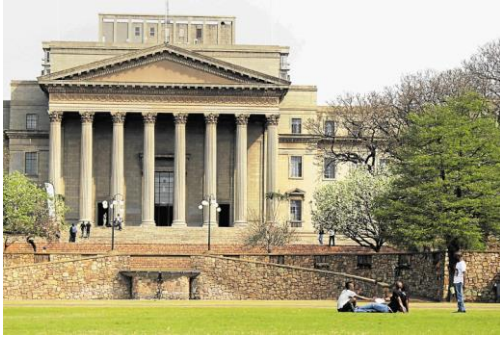**Organization and Management in Higher Education**
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What kind of Organization is the University?

The University:
A Special Kind of Organization?

- Traditional and innovative: continuity and change
- Past and future oriented: conserving what is and preparing for what comes
- Massive and personal
- Combining academic foundation (teaching & research) with serving society (Third Mission)
- Balancing institutional autonomy & academic freedom with government control & market forces

University Replaced by Multiversity?

Clark Kerr (1963)
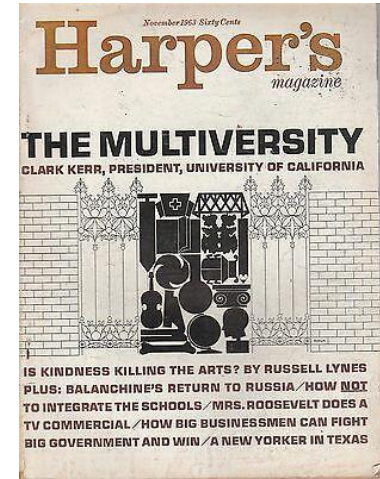
"The traditional university emerging in the Middle Ages in Europe is replaced by a new type of institution, **the multiversity**"

"The University started as a single community-a community of masters and students. .... Today the large American university is, rather, a **whole series of communities and activities** held together by a common name, a common governing board, and related purposes. This great transformation is regretted by some, accepted by many, gloried in, as yet, by few."

University a Special Organization?

Clark (1983):
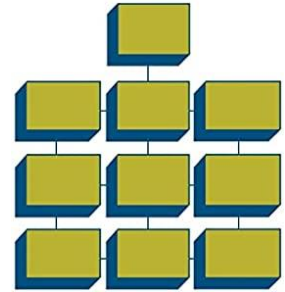
"Academic activities have special features that push universities into certain organizational shapes and cause them to have peculiar problems of performance and power"

Elements of organization:

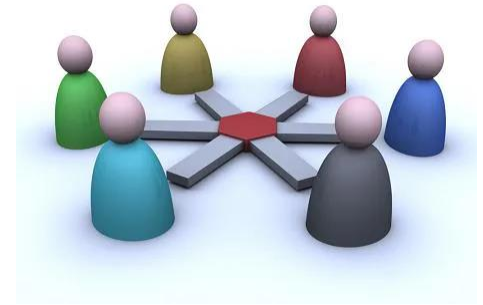1. Work
2. Belief
3. Authority

Universities as organizations?

1960s-1990s

- Are universities organizations?

- If so, what kind of organizations?

- How specific and incomparable to other organizations are they?

Organization Theory and Universities

Organization theories, based on empirical research on universities, incl.:

- Contingency theory
- Loosely coupled systems
- Garbage can model of organizational decision making (organized anarchy)
- Resource dependency theory

Astley & van de Ven (1983) Central Perspectives and Debates in Organization Theory

	Deterministic orientation	**Voluntaristic orientation**
Macro level (Populations and communities of organizations)	NATURAL SELECTION VIEW *Schools:* Population ecology, industrial economics *Structure*: Environmental competition *Change:* Natural evolution of environmental variation, selection and retention *Behavior:* Random, natural or economic environmental selection *Manager Role:* Inactive	COLLECTIVE_ACTION VIEW *Schools*: Human ecology, political economy, pluralism *Structure*: Communities or networks of partisan groups *Change:* Collective bargaining, conflict, negotiation, compromise *Behavior*: reasonable, collectively constructed *Manager Role:* Interactive
Micro level (Individual organizations)	SYSTEM-STRUCTURAL VIEW *Schools:* Systems theory, structural functionalism, contingency theory *Structure:* Roles/positions hierarchically arranged *Change*: Divide & integrate to adapt subsystems to changes in environment, technology, size, resource needs *Behavior:* Determined, constrained, adaptive *Manager Role:* Reactive	STRATEGIC CHOICE VIEW *Schools*: Action theory, strategic management *Structure*: people organized to serve choices and purposes of people in power *Change*: Environment and structure are enacted and embody meanings of action of people in power *Behavior*: Constructed, autonomous, enacted *Manager Role*: Proactive

Universities as (complete) organizations?

Brunsson & Sahlin-Andersson (2000):

Constructing Organizations: The Example of Public Sector Reform

Reforms aimed at installing/reinforcing/constructing:

- **Identity**
  - Enhanced autonomy, collective resources and definition of boundaries. Focus on being special and identity as an organisation
- **Hierarchy**
  - Coordination and control and constructing management
- **Rationality**
  - Intentionality by setting objectives, measuring results

Brunsson & Sahlin-Andersson (cont.)

Organizations as:

Actor

- A fully fledged complete organization, capable of being an entity that functions as a coherent social actor.

Agent

- An organization that is an instrument for other actors (owners, parent companies, politicians, head office) – working on behalf of someone else (principal-agent).

Arena

- The members of an organization are legitimately guided by external interests, values, norms and standards. Members perform tasks free from local control.

Universities as Organizations?

Brunsson & Sahlin-Andersson (cont.)

Key question:

Have public sector organizations, such as universities, developed into *more complete* organizations?

Universities as Organizations?

Have universities developed into more complete organizations?

Strategic organization actorhood: from loosely to tightly coupled organizations (Krücken & Meier 2006)

Musselin (2018):

"Universities were **finally transformed** into organizations by public management reforms because their boundaries were better defined, hierarchical relationships were strengthened, and rationality became more important in decision-making"

But, are universities indeed transformed into complete organizations, as argued by Musselin?

Impact on Universities as Organizations

Transformation of Competition and Collaboration

Competition:
- 'University as competitor'
- Intensifying national competition for resources (funding, students, staff)
- Emerging global competition for status

Collaboration:
- Shift from Memoranda of Understanding (MoUs) to strategic partnerships and alliance memberships
- Strategic collaboration serves a multitude of purpose, e.g. in the area of universities' contribution to sustainability /realizing SDGs

Universities and Organizational Change

- Under some circumstances organizational change in universities is determined by **environmental processes of competitive selection**. Under other circumstances change is the product of **strategic choices of leaders and managers**, that is, change reflects the will, understandings, and power of an identifiable group of actors.

- Both explanatory frames are prominent in the academic study of institutional and organizational dynamics in higher education.

- Organizational change, nevertheless, routinely involves a much larger repertoire of standard processes and in contemporary university settings change often takes place in a **complex ecology** of actors, processes and determinants

Universities as Organizations

Questions / Reflections / Comments?

How is the University Governed?

Systemic and Institutional Governance in Higher Education: Visions, Trends and New Perspectives

Impacts of New Public Management (NPM) inspired reforms in HE

1. National HE systems are *converging*
    *   Fairly homogeneous supra-national and global pressures
    *   Common reform agendas and global scripts

2. National HE systems are *diverging*
    *   National and institutional filters
    *   Variations in reform instrumentation and reform implementation

Diverging HE governance modes:
Three different reform ideologies

1. **HE governance driven by market forces**
   - Low level of basic public funding /'privatization of HE funding'
   - Belief in benefits of competition
   - Direct interactions between HE and 'clients'
   - Needs-driven research agendas

2. **HE governance driven by national political agendas**
   - Institutional governance structures controlled by the government
   - Low level of stability in HE environments
   - HEIs have to contribute to realization of national development goals

3. **HE governance driven by aim to balance internal and external control**
   - Public funding levels remain relatively high / low level of 'privatization of HE funding'
   - Institutional governance combines executive and democratic principles

Emergence of post-NPM issues
in HE governance :

- How to stimulate the development of higher education institutions that are not only *responsive*, but also *responsible*?

- How to balance *economic* expectations towards higher education with the *academic, social, cultural, and political* responsibilities of higher education institutions?

- Has the NPM-inspired governance model run its course as the *disadvantages of a fundamental market-orientation and competitive funding model* are increasingly becoming clear during the COVID-19 pandemic?

The Transformation of University Governance and Organization
(Maassen & Stensaker 2019)

1. What are the main features of hierarchical university governance and organization?

2. To what extent and how are vertical and horizontal coordination challenged in more hierarchical university organizations?

3. What are possible consequences of these coordination challenges?

The Transformation of University Organization and Governance

Trends and challenges:

- Research intensive universities have strengthened governance hierarchies
- These strengthened governance hierarchies have dysfunctionalities when it comes to using their expanded authority
  - Shortcomings in digital control and report systems
  - Shortcomings in building effective administrative capacity at all levels
  - Shortcomings in economic resources enabling strategic actions
  - Problems in role interpretation by leadership
- Consequence: institutional coordination problems (continuation of loose coupling)

The Transformation of University Organization and Governance

- Trade-off needed between **standardization**, **professionalization** and **specialization** in organizational management and administration, and organizational *flexibility*, *adaptability* and *integrative capacity* needed to enhance organizational academic productivity

- University governance **paradox**:
  - More hierarchic governance is accompanied by **horizontal decoupling** of managerial and administrative specialisation, formalisation and standardisation from the growing need for adaptability and organisational flexibility in academic activities

The Transformation of University Organization and Governance

Conclusions:

- Universities have become more 'complete' organizations in their executive leadership and administrative structure

- At the same time, the productivity and quality of academic activities are still grounded in professional norms that require more flexibility and adaptivity, instead of hierarchy, rationality, and organizational identity, in organizational procedures and regulations

- The restructuring of the administrative functions, capacity and work force in universities has been a process that has taken place largely independent of the developments in the governance and organization of the most productive and prestigious academic activities

The Transformation of University Organization and Governance
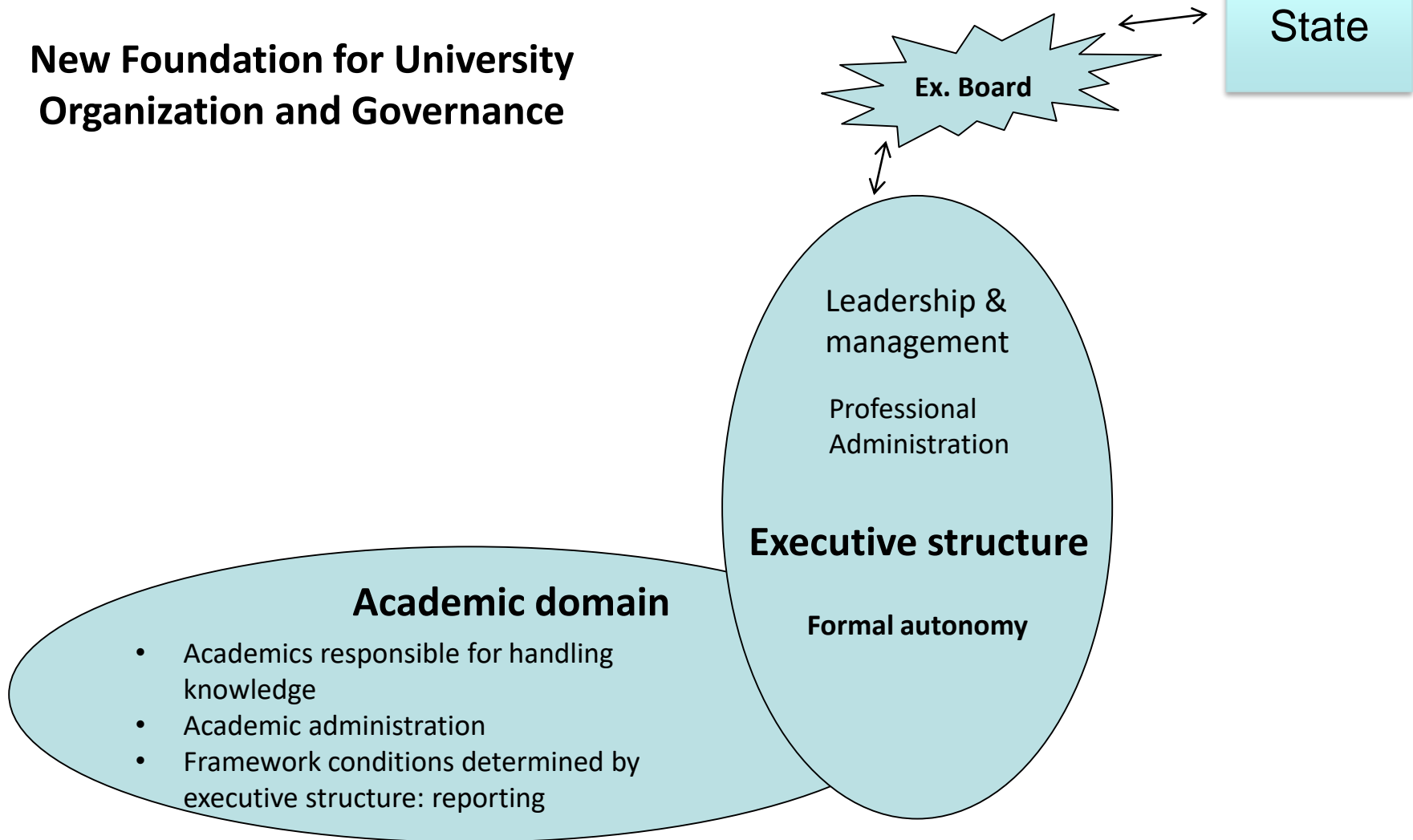
Conclusions:

- Emergence of a de-coupled university bureaucracy with its own professional norms, values and understandings of the functioning of the university

- University leadership lack the capacity to compensate for the decoupling of the bureaucracy

Traditional Foundation for University Organization and Governance

State

Board

Leadership

Administration

Academic domain

Academic activities
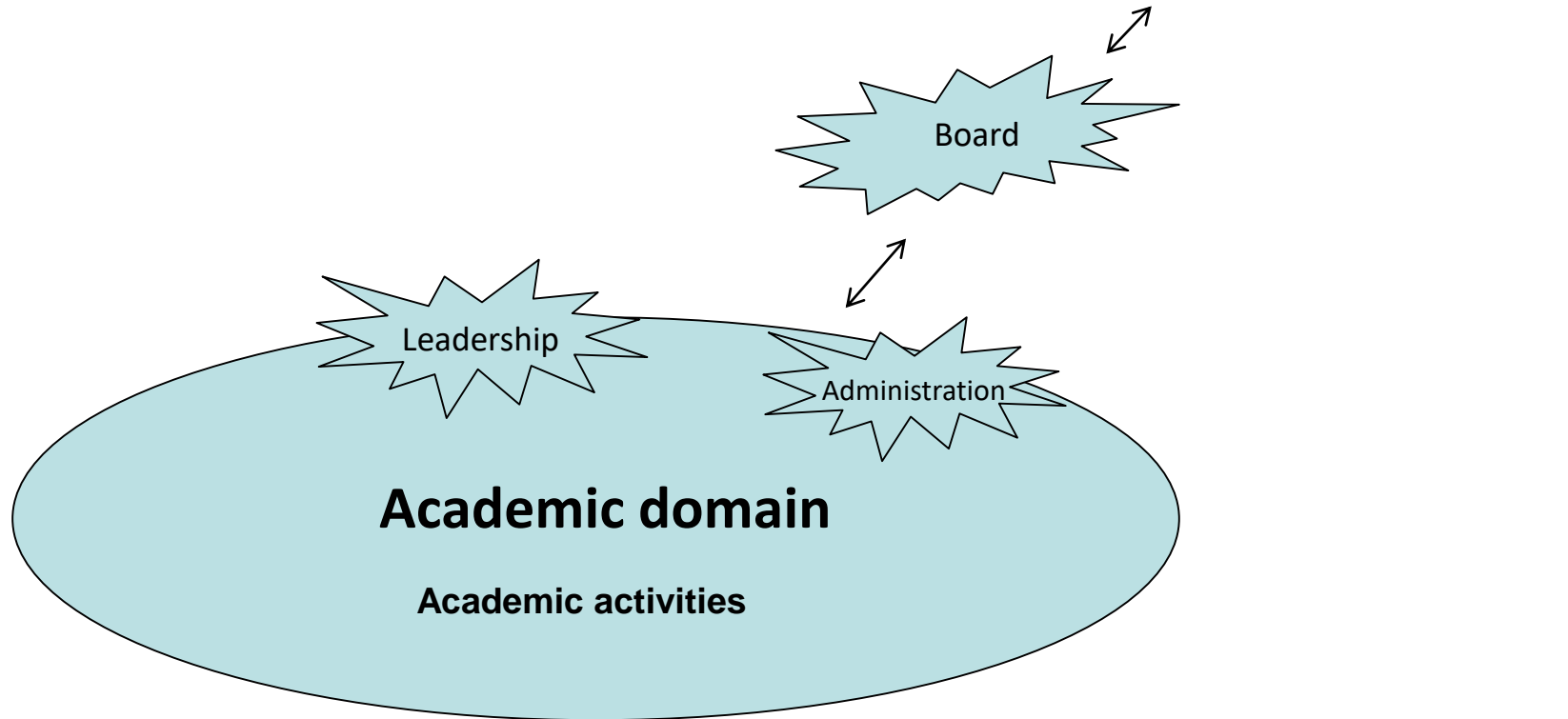
- Leadership by academics ('primus inter pares')
- Administration subservient to senior academic staff
- Board with double role (representing interests of government and university)
- 'Management' non-existent

New Foundation for University Organization and Governance

State

Ex. Board

Leadership & management

Professional Administration

Executive structure

Formal autonomy

Academic domain
- Academics responsible for handling knowledge
- Academic administration
- Framework conditions determined by executive structure: reporting

- University Executive Structure: Executive Board, Rectorate, Deans
- Professional administration loosely coupled to academic activities
- Academic domain still loosely coupled system

- Thank you very much for your attention!
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