

Twelve Propositions on Diversity in Higher Education

by

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This paper explores the relationship between the diversity within a higher education system and five key factors, namely: the environment, policy intervention, funding, competition and co-operation, and ranking. The exploration is based on the extent to which higher education systems, particularly those of Australia and New Zealand, have accommodated distinctive forms of higher education institutions characterised by the older traditional university at one extreme, and the newer university of technology at the other. Twelve interdependent propositions on diversity are proposed and discussed. These propositions indicate the ways in which each of the five key factors may influence institutional diversity or convergence. In the majority of circumstances, the convergent tendencies of institutions will predominate unless very specific environmental and economic conditions prevail, and/or specific directed policy is implemented.

Introduction

Up until the Second World War, university education remained the domain of the elite (Perkin, 1991). However, after the war, this changed dramatically. Goedegebuure and Meek (1997) have identified five phases of higher education development in the post-war years, namely:

1. Rapid expansion in the 1950s and 1960s.
2. Diversification in the 1960s and early 1970s.
3. Consolidation and the establishment of more economical alternatives to the university in the late 1970s.
4. A focus on specific issues such as diversity, quality improvement, efficiency and internationalisation in the 1980s.
5. Reduction in public expenditure and a focus on economic viability in the 1990s.

To the above list could be added the commercialisation of research products and observable contribution to the knowledge economy. As discussed later, this further heightens the role of research as a primary differentiator of higher education institutions.

The first phase, that of rapid expansion, was the most critical, and was the catalyst for diversification and the establishment of more economical alternatives to the university that were to follow. In Western Europe, the United Kingdom, North America, Australia and New Zealand, governments embraced the notion of mass participation, but somewhat belatedly came to appreciate the implications of such a dramatic change for an expensive and stretched university system.

There was therefore widespread policy development in the 1970s to establish alternatives to the university which would accommodate the rapid increase in demand for tertiary education for a sector of the population that largely comprised first generation tertiary students. This resulted in the establishment of short-cycle institutions (Neave, 2000) which concentrated on vocational education and skills-based training, such as community colleges in the United States and Canada, polytechnics in the United Kingdom and New Zealand, and colleges of advanced education and technical and further education in Australia. Apart from the view that these sorts of institutions were the most suitable for students for whom an academic university education was thought

inappropriate, they were also cheaper to run, and therefore were strongly promoted by government policy. Their introduction led to the establishment of binary higher education systems.

In many countries these new types of tertiary institution were allowed to offer degree level education. They expanded rapidly, especially during the 1980s and 1990s, and, as their degree enrolments grew, they began to consider the perceived benefits of university status, and eventually to seek redesignation. In some countries, such as the United Kingdom, this redesignation occurred by legislative decree and the polytechnics became universities overnight (Pratt, 2000). In Australia, the binary divide was removed and the colleges of advanced education progressively (and rapidly) became universities by a range of processes frequently involving mergers between colleges or between colleges and existing universities. In New Zealand, a conservative approach to higher education meant that the attempts of polytechnics to be designated universities were resisted, even when they were offering postgraduate degrees including the PhD.

Throughout this period of dramatic change one constant underpinned policy development in many higher education systems. This was the publicly stated desire by governments to promote diversity and differentiation amongst their higher education institutions. This fundamental policy driver has been used to justify the establishment of both binary and unitary systems. However, regardless of the regular reconfirmation of this broad policy, there has been a steady trend in most of these higher education systems towards increasing institutional conformity. This paper explores the facts and fallacies of the issues that have promoted either diversity or conformity amongst higher education institutions, and puts forward some propositions on diversity in higher education based on the experiences of a range of national higher education systems, with particular reference to those of Australia and New Zealand.

Historical context

The university has a long and colourful history, from its 12th century origins in Bologna and Paris, and later in Oxford and Cambridge, through to its late 20th century proliferation as western nations adjusted to the rapid increase in the need for higher education, and rapid growth in participation, after the Second World War. Two aspects of this history are particularly relevant to the theme of this paper.

Firstly, while the post-war university has tried to distance itself from the clutches of vocationalism, leaving this activity to “lesser” institutions such as polytechnics, technical institutes, colleges of advanced education, community colleges and the like, it must be acknowledged that, in reality, the university has always been a vocational institution, particularly in Australia and New Zealand.

The first universities were set up to train the elite for service in state and church bureaucracies, and for the emerging professions of the clergy, law and medicine (Perkin, 1991), and these professions have remained cornerstones of the university ever since. During the Middle Ages, the place and influence of the university waxed and waned, and in England was reduced to training the landed gentry in the social graces and political awareness. By the 19th century, however, with the impact of the Industrial Revolution affecting all levels of society, the university began to take on many of the characteristics of its present form. Significantly, it was the break from the Oxford tradition initiated by the Industrial Revolution in the early 19th century, epitomised by the establishment of, first London University, and later the other “redbrick universities” of the United Kingdom which re-emphasised the university’s vocational mission (Patterson, 1997). A similar, although less acrimonious, development took place at more or less the same time in the United States, with the establishment of the Morrill “Land Grant” universities in the late 1800s (Morrison, 1965). These new universities, like their redbrick cousins in the United Kingdom, placed emphasis on practical education for vocational purposes.

Secondly, perhaps the most significant development to influence the form of the university as it exists today was the German 19th century notion of the research university and the PhD degree based on empirical enquiry. Nearly 200 years later, pure research is generally regarded as an essential if not dominant component of a traditional university’s activities. This contrasts somewhat sharply with the approach to research adopted by many newer universities which, by virtue of their vocational training history, have tended to place less emphasis on pure research and more emphasis on applied research that informs both teaching and practice. Presently, in most universities, there has been a shift towards funding of applied knowledge production that is having a demonstrable economic impact.

The traditional university at the start of the 21st century, then, could be considered as one which is characterised by a somewhat contrary attitude towards vocationalism, considering its history and reliance on professional training, and a passionate attitude towards the value and significance of research. By contrast, it could perhaps be said that the newer universities are characterised by a passionate attitude towards the value of vocational education and training, and a somewhat contrary attitude towards research. Of course, these two images are presented as “ideal types” for analytical purposes and it is recognised that in reality there may be a blurring of mission and function.

This paper will make frequent reference to issues of contrast between the “traditional” university and the “new” university, especially as they have evolved in Australia and New Zealand. The former are characteristically older universities with a strong research focus supporting traditional disciplines.

They are exemplified in Australia by the “sandstones” and “redbricks” (Marginson, 1999), and in New Zealand by the “limestones” (Codling and Meek, 2003). The “new” universities are often called universities of technology, and are invariably young universities, with historical roots in trade and technician training, which emphasise applied and vocational education and research, frequently in new or emerging disciplines. They are characterised by the “unitechs” (Marginson, 1999) in Australia, and by Auckland University of Technology (AUT) and (almost) Unitec Institute of Technology¹ in New Zealand.

These two forms of university are considered to represent counterpoints on a continuum of contemporary university types. Over the last 15 years there has been a tendency for traditional universities to drift towards universities of technology through a process of vocational drift and an increasing emphasis on applied/commercially relevant research, and a complementary tendency for universities of technology to drift in the opposite direction through a process of academic drift. These relationships are summarised in Figure 1 below, and are fundamental to the development of the propositions on diversity in higher education presented in this paper.

Figure 1. **The relationship between academic drift, vocational drift and university type**



Diversity in higher education

In the context of higher education, the terms differentiation and diversity are used to describe a wide range of phenomena related to differences between and within higher education systems (Stadtman, 1980; Birnbaum, 1983; Huisman, 1995; Kivinen and Rinne, 1996; Meek et al. 1996). A most useful general definition of diversity is offered by Trow (1995), and cited by Meek et al. (2000). Trow describes diversity in higher education as:

“[...] the existence of distinct forms of post-secondary education, of institutions and groups of institutions within a state or nation that have different and distinctive missions, educate and train for different lives and careers, have different styles of instruction, are organised and funded and operate under different laws and relationships to government” (Meek et al., 2000, p. 3).

This definition, strictly referring to systemic or institutional diversity, will be adopted for this paper, which is concerned about differences between institutions within a single higher education system.

Having such a definition is one thing, applying it is another. Much of what has been written about diversity has used qualitative and anecdotal evidence to describe differences between institutions. Relatively few researchers (for example, Birnbaum, 1983; Huisman, 1995, 2000; Meek and Wood, 1998) have looked at ways of measuring differences between institutions. However, one of the critical issues for these quantitative analyses is the selection of variables, and the meaning that is attached to them. As Huisman (2000, p. 45) points out, at one extreme it is possible to select such an extensive group of variables as to make every institution unique, thus achieving theoretical maximum diversity for the higher education system. Another critical issue is the selection of the appropriate analytical methodology, and Huisman demonstrates that different techniques can produce different results for the same data set.

Huisman offers a conceptual model to deal with these issues. Essentially this involves selecting variables, gathering meaningful data on these variables and establishing institutional profiles, applying relevant analytical techniques, and finally interpreting the results in terms of institutional diversity (*ibid*, p. 44). However, he does not address the key issue of how to decide which variables to use in an investigation of institutional diversity within a higher education system.

One of the fundamental difficulties with the selection of variables and consequential measurement of diversity is that diversity means different things to different interest groups. From an applied perspective, it is considered important to identify the stakeholders for whom the notion of diversity is meaningful, and then to establish what that notion is. An appropriate selection of variables should then be possible. For example, the government is a key stakeholder in the higher education system of any country, and as indicated elsewhere in this paper, in many countries government policy is based on the concept of a diversified higher education system. For the government, this diversity is likely to be determined by a consideration of the system as a whole, and the range of institutions within the system based on broad highly visible institutional parameters such as mission, student load, programme level and research activity. In other words, using the biological model, governments are more concerned with varieties of institutional types within a system, which might be considered as genera, than with the different species which may comprise each genus.

By way of contrast, the student, another essential stakeholder in a country's higher education system, has a quite different perspective on diversity. For the student, diversity relates to choice, and is based on parameters

such as access, location, programmes, reputation and cost. For students the notion of diversity is also only meaningful for that group of institutions to which they can readily go. Systemic diversity across a national system is therefore meaningless to students if the only institutions to which they reasonably have access are all the same.

This paper does not attempt to quantify institutional diversity. It attempts to establish some propositions about diversity based on the extent to which higher education systems, particularly those of Australia and New Zealand, have accommodated the development of distinctive forms of university characterised by the older traditional university on the one hand and the newer university of technology on the other. These propositions should be further tested by the selection of quantifiable variables appropriate to the perspective of diversity under investigation.

Propositions on diversity

While many post-war governments have consistently espoused support and commitment to the notion of diversity in their higher education systems, they have, with few exceptions, been strong on the rhetoric and weak on the policy initiatives to effect it. In general, it could therefore be argued that many higher education systems, and the institutions within them, have evolved, particularly over the last 10 to 15 years, in the absence of effective policy, not because of it. The end result has not been increased differentiation between institutions, but rather a drift towards institutional homogeneity. Some key reasons for this are examined in the sections to follow, and presented as a series of propositions about diversity and differentiation in higher education. They have been referenced to five factors which influence, or are influenced by, the diversity of a higher education system, namely: the environment, policy intervention, funding, competition and co-operation, and ranking. Whilst the propositions are grouped under each of these headings, it should be recognised that there is an interdependence between all of them.

The environment

Biological concepts are frequently used in discussions on institutional diversity (Huisman, 1995). Using the biological analogy, variation in species is more likely to occur in a heterogeneous ecological environment, as organisms adjust to different local conditions. By contrast, if adapting organisms are subjected to the same environmental conditions, they will tend to evolve convergently. In the world of higher education, the organism becomes the institution and the ecological environment becomes the higher education system.

The environmental conditions influencing the development of a higher education institution are affected by factors such as student choice, stakeholder influence, the economy, local government and history. With each factor, variation in environmental conditions across a higher education system will inevitably promote variations in response by local institutions and will foster diversity. In contrast, uniform environmental conditions will promote similar responses from individual institutions and promote homogeneity across the system. This point is well made by File *et al.* (2000) who postulate that “the larger the uniformity of environmental conditions of higher education organisations, the lower the level of diversity of the higher education system” (*ibid*, p. 15).

Student choice is a critical factor in the promotion of distinctiveness and diversity in higher education. A diversified higher education system is frequently supported on the basis that it provides prospective students with genuine choice and/or opportunity. However, genuine choice only occurs if the student has ready access to a range of institutions. Access, in turn, is dependent on a number of intersecting issues such as mobility, accommodation, cost and lifestyle. In Canada, for example, population centres supporting higher education institutions tend to be dispersed across the country, and choice in a practical sense for most students tends to be limited to those local institutions which are reasonably accessible within a single population centre. This has led to a lack of diversity across the Canadian system, with each institution tending to provide the same range of opportunity for its local population under uniform funding conditions which also promote convergence (Jones, 1996).

The Canadian experience has parallels within New Zealand, although the scale is quite different. Outside Auckland, the largest population centre by a significant margin, there tends to be a single university and a single polytechnic in each major population centre. New Zealand students are not known for their mobility, and most seeking higher education tend to go to the nearest institutions. Given the uniform funding regime for New Zealand higher education, it is therefore not surprising that, like Canada, there is a lack of diversity amongst New Zealand’s universities and polytechnics.² Importantly, this should not be regarded as a deleterious situation, but rather as an appropriate response for a higher education system which is offering equality of opportunity to its potential students.

Stakeholder influence is another environmental factor which may affect diversity. Probably the best example of a national higher education system in which variations in stakeholder influence contribute to systemic diversity is that of the United States. Religious groups, ethnic minorities, industry and local government have each played a significant part in shaping the development of different types of tertiary institutions in different parts of the United States (Geiger, 1996). By contrast, in smaller countries such as New Zealand, where stakeholder influence tends to be more uniform across the whole country,

there is therefore little contribution to the heterogeneity of institutional types. There is potential for this to develop however, if, for example, new and emerging professions continue to favour the newer universities of technology while the older professions maintain allegiance to the more traditional universities.

A uniform national economy has an obvious levelling effect with respect to institutional diversity. Under this circumstance, it could be argued that institutions all tend to react the same way to the same changes. Again, New Zealand, as a small country with little regional variation to the economy, is a good example of this. Where a country is large enough to sustain regional economies that might not be congruent, such as the United States, there would be a greater likelihood for different institutional responses to different economic conditions. The different responses of local government may also play an important role in shaping the part of the higher education system over which they have an influence.

History sometimes exerts environmental influence on the diversity of institutions within a higher education system. Where a strong university tradition exists, it is difficult for a new kind of university to be accepted. Such is the case in New Zealand, where Unitec's overt objective to become a university of technology has been thwarted by the conservative influence of the New Zealand Vice Chancellors' Committee. Under such circumstances, universities tend to be much the same, and new institutions are forced to conform to the prevailing conservative model in order to gain acceptance.

The influence of environmental conditions on the institutional diversity of a higher education system could therefore be summarised by the following pair of propositions:

1. The greater the uniformity of the environmental conditions within a higher education system, the lower the potential for systemic diversity.
2. The greater the variation in environments within a higher education system, the greater the potential for systemic diversity.

Policy intervention

Government policy undoubtedly has a most critical influence on systemic diversity. In national systems such as those of Australia, the Netherlands, New Zealand, Sweden and the United Kingdom, convergent tendencies predominate amongst higher education institutions because policy and regulation are not strong enough to sustain differences between institutions.

If there is no significant variation in environmental factors that will increase the potential for systemic diversity, the environment can be considered essentially homogeneous. This is the prevailing condition in many larger countries and most small countries, including New Zealand. In

this homogeneous environment, diversity has ebbed and flowed as governments have tried different policy approaches to promote diversity amongst their higher education institutions.

The most obvious intervention designed to promote diversification is that which establishes a binary system of higher education institutions, which in theory guarantees that at least two distinct types of institution will exist within a higher education system. Binary systems became common in western countries as their governments grappled with the dramatic increase in participation in higher education after the Second World War. Second tier institutions were invariably introduced as cheaper, short-cycle alternatives to the established (and expensive) universities (Neave, 2000). With few exceptions, however, these new institutions, variously known as polytechnics (New Zealand and United Kingdom), *Fachhochschulen* (Germany), HBO institutions (higher professional education institutions in the Netherlands), and colleges of advanced education (Australia), have exhibited clear, deliberate and convergent “academic drift” towards a university model. This has occurred because government regulation to support a binary system was not strong enough to prevent it happening.

Two good examples of this occurred in the higher education systems of the United Kingdom and Australia. In the United Kingdom, there have been two major attempts to establish a binary system, firstly with the creation of the Colleges of Advanced Technology in the 1950s, which were absorbed into the university environment ten years later, and secondly by the creation of the polytechnics, which were established as a genuine degree-granting alternative to the university in the late 1960s, and became part of the university sector in 1992. Both cases illustrate the inevitability of institutions which perceive themselves as being of lower status (despite plaintive government protestations of being “equal but different”) seeking to raise their status by becoming more like their more illustrious alternatives. In Australia, a similar series of events occurred. The Australian government established the Colleges of Advanced Education (CAEs) as a genuine degree-granting alternative to the universities in the 1960s. By the mid 1980s many of these colleges had developed to become so much like the universities that the binary system was doomed, and in 1988 Australian higher education was reconstituted into the Unified National System. Once again, the isomorphic tendencies of the CAEs were inevitable, given absence of a strong regulatory environment to prevent them occurring. Indeed, the policies of that period, far from promoting diversity, “seemed to encourage an unhealthy duplication of function and programmes” (Goedegebuure et al., 1993, p. 396).

It is important to recognise that the convergence of university and non-university institutions was not solely the result of isomorphism on the part of the non-university institutions. In Australia, for instance, there were signs in

the 1980s of universities taking on more of the characteristics of the colleges of education at the same time that the reverse was occurring. This convergence has continued even after the binary system has been replaced by a unitary system. This was in spite of the Australian government's pronouncement that the new unitary system would "... promote greater diversity in higher education rather than any artificial equalisation of institutional roles... Diversity and quality are paramount; the unified system will not be a uniform system" (Dawkins, 1988, p. 28).

Institutional convergence is well illustrated by the recent histories of the Australian universities. Even though the "university of technology" on the one hand, and the traditional "sandstone" university on the other may be justifiably regarded as the most distinctive types of university in Australian higher education, they have still shown clear signs of convergent behaviour. For example, the more traditional universities have exhibited vocational drift by:

- adopting more applied missions;
- developing active partnerships with industry and the new professions;
- offering more qualifications with overt vocational outcomes;
- generating more applied research funded by industry;
- becoming more enabling with their admission policies to encourage non-traditional learners.

At the same time, newer universities, like the universities of technology, have exhibited academic drift by:

- appointing more traditional university trained and experienced academic staff;
- adjusting their organisational cultures to be more academic;
- shifting enrolment patterns to include more school-leavers;
- broadening their research focus and increasing its emphasis;
- adopting much of the symbolism and nomenclature of the traditional university.

The drivers for this convergence and resultant reduction in systemic diversity are two-fold. Firstly, convergence is driven by a desire for status emulation on the part of some universities which are ranked at the bottom of official and unofficial leagues tables. Secondly, and more significantly over most of the last decade in Australia, it has been driven by a competitive spirit amongst universities during a prolonged period of market growth and institutional prosperity in a deregulated market environment. In such a deregulated environment, with a uniform funding regime, institutions will inevitably tend to respond to similar stimuli in similar ways, and to become more and more alike.

Similar convergent tendencies have occurred in many European higher education systems, even where governments have attempted to maintain differences between institutions. For example, the almost subversive activities of the Dutch HBO institutions to move into postgraduate education and to change their names to include the word “university” have occurred within a weakly regulated binary system (Goedegebuure and Huisman, 2000). By contrast, Finland, which for a long period maintained a strong centralised and uniform higher education system comprising only universities, introduced a non-university sector in the 1990s comprising *ammattikorkeakoula* (AMK) institutions. This new binary system is still subject to tight central control, and the Finnish government is maintaining the clear distinction between the AMK institutions and the universities by regulation. It remains to be seen how long this distinction can be maintained, given the experience of binary systems in other countries.

The lesson from these international experiences is straightforward: in a homogeneous environment the natural tendencies for institutional convergence will prevail in a higher education system unless clear and overt policy intervention is enacted to prevent it. Three related propositions can therefore be put forward:

3. In a higher education system existing in an essentially homogeneous environment, the greater the formal policy intervention to promote diversity, the greater the potential for systemic diversity.
4. Binary systems promote diversity providing that policy and regulation limit the natural tendencies for institutional convergence.
5. Unitary systems do not in themselves promote diversity.

Financial incentives

One of the most powerful forms of policy intervention that a government can use to maintain differences between institutions is that of higher education funding policy. However, few countries appear to utilise it for this purpose. In Australia, for example, the Commonwealth’s uniform funding provisions and accountability requirements are a prime driver of institutional conformity (Coaldrake and Stedman, 1998). If institutions are funded in exactly the same way for the same outputs, then they will inevitably seek the same ways of maximising their income through this provision. Similarly, the accountability requirements that go with a reasonable level of institutional autonomy also tend to breed the same responses to the uniform requirements of the system.

At best a uniform funding regime can be said to do nothing to encourage institutional diversity, in spite of the ideologically driven contention that autonomous institutions operating in a competitive market will automatically diversify if given sufficient independence. By contrast, targeted funding

policies can actually promote institutional convergence when they do not have explicit diversity objectives.

Two examples of this have occurred in Australia. Firstly, research funding distributed according to specific institutional research performance indicators leads to a hierarchy of universities which has the inevitable consequence of encouraging poorly funded lowly-ranked universities to emulate the research performance of those higher on the ranking ladder in order to increase their research income. This promotes a trend towards uniformity in research performance. This is a desirable and intended outcome if the overall research performance of the system is raised, but carries with it the unintended outcome of institutional convergence. This is particularly evident where new universities are seeking a recognition of activities rendering research more useful to industry and society such as consultancy and technology transfer. If these activities are not recognised in the performance criteria by which funding is distributed, and if more conservative and traditional research performance indicators are used, the consequence is that some universities are forced to abandon their alternative and possibly innovative approaches to research to ensure that funding flows in their direction.

The Australian government itself has recognised that the way in which it funds research has encouraged uniformity and has increasingly introduced various performance-based research funding schemes to promote diversity. In 2005, the government began an exercise to create a new funding regime for research somewhat along the lines of the Research Assessment Exercise in England, with the expressed intention of differentiating the higher education system into research intensive and teaching only institutions. The precise characteristics of the scheme are not yet known, much less the results.

Australia's initial experiment with quality assurance is another example of financial incentives working against diversity. In the early 1990s, Australian universities were provided with financial incentives to improve quality in their institutions. Some AUD 2 million was allocated over the three years that the system operated, and "where these arrangements have directly influenced funding allocations they have been powerful forces for change, at least for compliance with the parameters for assessment" (Coaldrake and Stedman, 1998, p. 153). In other words, those institutions which fared poorly in the distribution of quality funding, and were lowly ranked, sought to improve their ranking and their income by copying the activities of the most successful, which were dictated by the "parameters for assessment". Once again, this is a positive and intended outcome for the targeted funding if the overall quality of Australian universities is enhanced, but carries with it the unintended outcome of reduced diversity.

Deregulated funding systems on the one hand and targeted funding systems on the other therefore do not in themselves promote systemic diversity. Only a funding system with the explicit objective of increasing diversity is likely to achieve this end. This might take the form of funding incentives for an institution to stay as it is, or funding disincentives if the institution deliberately seeks to emulate the performance of a different kind of institution. This leads to the formulation of two further propositions:

6. The greater the financial incentives within a higher education system that do not have explicit diversity objectives, the greater the potential for institutional convergence.
7. The greater the financial incentives within a higher education system that do have explicit diversity objectives, the greater the potential for systemic diversity.

Competition and co-operation

The experiences of the Australian higher education system over the last decade, and similar experiences in many deregulated higher education systems in other parts of the world, suggest that competition, rather than promoting diversity as policy makers had intended, has actually promoted convergent tendencies amongst institutions. This occurred for a mix of reasons that have been discussed by numerous writers (Meek and Wood, 1997; Marginson, 1998; Marginson and Considine, 2000; Fairweather, 2000; Meek, 2000; Neave, 2000). What is not made clear in these discussions is whether it is specifically the competitive environment which has forced institutions to copy one another in order to be more successful, or whether it has been a competitive deregulated environment coupled with overall economic prosperity which has promoted this convergence. Conversely, a competitive environment during times of genuine economic stringency may well promote systemic diversity.

Notwithstanding this possibility, competition amongst Australian universities has led to a reduction in the differences between institutions because the universities have had sufficient resources to invest in mimetic behaviour (Marginson and Considine, 2000). Some of this convergence has been the result of the unintended consequences of funding policies developed to meet quite different objectives. The funding of research and institutional quality in Australian higher education, as outlined in the previous section, have both resulted in mimetic behaviour and a consequential loss of diversity as institutions have competed for a finite pool of resources by copying the performance of the more successful. Overall, then, in spite of the complicating influence of economic prosperity, competition would appear to have promoted convergence amongst Australian universities, as it has done in the United States and many European countries which have promoted a deregulated

higher education environment. However, the relationship between a competitive market and institutional diversity may not that simple.

According to Geiger (1996), based on his study of diversity amongst United States higher education institutions, there is a relationship between the propensity for systemic diversity and the flow of resources. During periods of rapid growth and high student demand, newer, less prestigious institutions tend to have both the resources and the opportunity to develop new systems that duplicate those of more successful and highly regarded institutions so that they can compete with them for top staff and top students. The higher education system therefore drifts towards conformity.

By contrast, during times of economic stringency and low demand, institutions are faced with survival, and fierce competition occurs as institutions compete for a share of a diminished market. Under these circumstances, institutions are forced to innovate and seek new markets in order to survive, and thus “hard times encourage diversity” (Geiger, 1996, p. 200). There is a strong biological analogy here, with new forms occurring when a species is required to adapt to a changing environment in order to survive, while an absence of environmental change promotes a normalised population.

The impact of economic prosperity on the evolution of a higher education system is an issue that governments, in setting their education policy, do not necessarily appear take into account. This is evident in the policy initiatives of both Australia and New Zealand over the last ten or so years which have been based on a simplistic belief that a competitive environment will foster institutional diversity and, more significantly, that a competitive environment actually existed. The work of Marginson (1998), Meek and Wood (1997), and others suggests that, at best, higher education operates in a quasi-market and that a true competitive environment does not exist. They also indicate that competitive elements tend to drive convergent rather than divergent tendencies amongst institutions. This issue is addressed further in the next section. More directly relevant to the issue of economic prosperity is the fact that in Australia and New Zealand, during most of the last decade, demand for higher education was so high and growth so readily attainable that higher education institutions did not need to compete with one another at all. Growth was not dependent on increasing one’s market share; it occurred simply by maintaining one’s share of an increasing market.

Under these circumstances of economic prosperity, Australia’s universities tended to diversify *internally* to meet demand. The newer universities offered new programmes, in response to demand, particularly at the postgraduate level, and increased their involvement in basic research, which had been the more-or-less exclusive domain of the more traditional universities. At the same time, the more traditional universities were responding to the growing demand of

first generation higher education students, including those who had completed technical and further education qualifications and who had traditionally enrolled in the CAEs and newer universities. They were also capitalising on consultancy and applied research funding coming directly from industry. In other words, the traditional universities moved towards the newer universities through a process of vocational drift, while the newer universities moved towards the traditional universities through a process of academic drift. The result was institutional convergence.

In both Australia and New Zealand, this period of economic prosperity and unfettered demand has now ended. Universities in both countries are now entering a period of economic constraint and a diminishing market, and time will tell if the trend Geiger has observed in the United States that “hard times encourage diversity” (Geiger, 1996, p. 200) becomes a reality. The overall relationship between economic prosperity and diversity can thus be expressed in the following pair of propositions:

8. During periods of high student demand and resource flow in a deregulated competitive market, the potential for institutional convergence increases.
9. During periods of low student demand and limited resources in a deregulated competitive market, the potential for systemic diversity increases.

By way of contrast to the impact of competition, it is interesting to look briefly at the effect of co-operation between institutions on systemic diversity. Little research has been done on this relationship, but the work of Jones (1996) on Canadian higher education suggests that co-operation and sharing between universities has promoted isomorphic tendencies as “a successful innovation at one institution is often adopted by others” (*ibid*, p. 86). Significantly, genuine co-operation can only occur in a deregulated environment when institutions do not see themselves competing for funding and/or students. This is a rare occurrence in most higher education systems. Canada therefore may well be somewhat unusual in this regard, due to the dispersed nature of its population centres, and the fact that funding is controlled by provincial governments rather than by the state. Despite its rarity, however, it seems reasonable to accept that institutions which openly co-operate and share best practice will tend to become more alike, and will therefore tend to promote institutional convergence.

The impact of co-operation on systemic diversity could therefore be summarised in the following proposition:

10. The greater the co-operative activity between institutions within a higher education system, the greater the potential for institutional convergence.

Ranking

Regardless of the genuine diversity which might or might not exist in a higher education system, there is a natural tendency for the institutions of that system to be ranked by their stakeholders. This ranking may be official in that it is related to a specific funding objective set by government, such as research performance or quality, with the result that the more highly ranked institutions receive a greater share of a finite pool of funds. It may be unofficial but well established, such as the ranking promoted by the *Good Universities Guide* in Australia, and other consumer oriented ranking systems such as that published each year by the *Times Higher Education Supplement* on United Kingdom universities. It may also be entirely informal and anecdotal, and based on factors related to institutional age, wealth and perceptions of prestige, and myth.

For example, in Australia, while the *Good Universities Guide* publishes a comprehensive ranking of Australian universities each year, based on reasonably sound and objective evidence, there remains a general public perception that the oldest, wealthiest universities, namely the “sandstones” and to a slightly lesser extent the “redbricks”, are the most prestigious and therefore the top ranked universities in the country. The same is true in New Zealand, where, the “limestones” are the oldest and are perceived to be the most prestigious and therefore assumed to be “the best”. The newer universities are somehow seen as being not quite as good.

In a slightly different way, ranking of universities has become an unintended outcome of the Carnegie Classification of United States higher education institutions. The doctoral/research-led universities tend to be the oldest and wealthiest and are acknowledged as the most prestigious, and are therefore perceived to be “the best” and the masters and baccalaureate colleges are ranked below them.

The public ranking of institutions, based on perceptions with or without objective reference, exists in most higher education systems regardless of the extent of real differences between them. As Smith and Webster (1997, p. 105) comment in regard to the universities of the United Kingdom, “it is an absurdity ... to suggest that differences [between institutions] are such as to subvert hierarchy”. However, there is no obvious relationship between ranking and institutional diversity. For example, referring to the three examples quoted above, the United States can be considered to have a highly diversified higher education system, Australia has considerably less diversity but differences between universities are still apparent, while in New Zealand there is little institutional diversity amongst its universities (Codling and Meek, 2003). Significantly, in each case the country’s universities are still formally or informally ranked. In other words, to use Marginson and Considine’s distinctions

(Marginson and Considine, 2000), vertical diversity is essentially independent of horizontal diversity.

There is an interesting anecdotal consequence of an informal institutional ranking system based on age and perceptions of prestige (as is the case in New Zealand). Once an institution is highly ranked because of its age, history, wealth and perpetuated myths, it is also generally considered to have the best qualifications and to be the best institution from which to graduate. Much of the support for the high informal ranking of these kinds of institutions comes from their alumni, who in turn are frequently key influencers of the next generation intending students, and the employers of recent graduates. This perception endures even if the quality of education and the student experience are, in practice, less than satisfactory. In other words students will accept a poor quality education experience in return for a highly regarded qualification. No formal research has been done to substantiate this effect, and it cannot therefore be considered as a proposition. However, if this attitude does in fact prevail amongst intending higher education students, this makes it extremely difficult for newer institutions, particularly those wishing to be distinctive and offer a kind of education different to that provided by a competing highly ranked institution, to gain credibility and status in their own right. There is an understandable temptation to conform wherever possible to the norms that the traditional institution has established and which are expected and accepted by consumers.

Once a ranking system has become established for the institutions of a higher education system, there is an inevitable tendency for those ranked towards the bottom of the list to seek to raise their standing by copying the successful activities of those institutions higher on the list. This mimetic isomorphism (Marginson and Considine, 2000) is pursued by the institution voluntarily, and as a result promotes institutional convergence. This isomorphism is, of course, accentuated if there is also a direct financial advantage to a higher ranking, as was outlined in the earlier section on funding.

Overall, therefore, there are two propositions which could be established relating institutional ranking to systemic diversity:

11. Whether or not institutional diversity occurs within a higher education system, there will be a hierarchy of institutions and institutional types based on longevity, wealth and prestige.
12. Where institutional ranking is well established within a higher education system, there is a greater potential for institutional convergence.

Summary

The conditions under which diversity or convergence will occur, based on the 12 propositions on diversity in higher education and the factors which influence them, are summarised in Table 1. They suggest that a higher education system will not develop in a predictable way unless deliberate steps are taken to co-ordinate the system and the institutions within it.

Table 1. Summary of the influence of different factors on systemic diversity

Factor	Diversity promoted by	Convergence promoted by
The environment	<ul style="list-style-type: none"> • Environmental heterogeneity. 	<ul style="list-style-type: none"> • Environmental homogeneity.
Policy intervention	<ul style="list-style-type: none"> • High level of intervention to promote diversity. • Highly regulated binary systems 	<ul style="list-style-type: none"> • Deregulation. • Unitary systems.
Funding	<ul style="list-style-type: none"> • Specific financial incentives to promote diversity. 	<ul style="list-style-type: none"> • Financial incentives targeted to other outcomes.
Competition and co-operation	<ul style="list-style-type: none"> • Competition in periods of low demand and economic stringency. 	<ul style="list-style-type: none"> • Competition in periods of high demand and economic prosperity. • Co-operation.
Ranking		<ul style="list-style-type: none"> • Mimetic isomorphism of lowly ranked institutions.

According to Meek (2001, p .2), “in examining modes of co-ordination, it is the dynamics and complexities of the interrelationship between higher education policy and the structure of higher education systems which is at issue.” He offers the concept of a continuum of relationships between government policy and institutional autonomy. “Bottom-up” systems, in which government policy lags behind and reflects institutional leadership, mark one end of this continuum. “Top-down” systems, which are dominated by strong central government policy controlling largely responsive institutions, mark the other.

The concept of a continuum suggests some sort of inverse relationship between government leadership and institutional autonomy. As one increases, so the other decreases. Policy is generated either way, and either leads or follows institutional development. This may well be the case, but there is nowhere on this continuum for a situation in which policy neither leads nor follows institutional development because it is quite ineffective or simply does not exist. Higher education systems in which this condition prevails are commonly referred to as “deregulated” or “self-regulated” systems in which it could be argued that the only concrete government policy guiding their development is one of abdication; in other words, a policy not to have much policy.

The ideological driver for such a policy vacuum has been a belief that a competitive market environment will minimise the need for specific centralised policy development beyond a general policy framework, and that competition is

a sufficient condition to promote institutional quality and differentiation. This condition has prevailed in many western countries over the last 10 to 15 years, and has been particularly evident in Australia and New Zealand higher education.

However, there is little evidence to support such a contention. The 12 propositions on diversity in higher education proposed in this paper in fact suggest that this does not occur. Rather they indicate that in the majority of circumstances, the convergent tendencies of institutions will predominate unless specific environmental and economic conditions prevail, and/or specific directed policy is implemented.

Discussion

The 12 propositions on diversity put forwards in this paper have been developed to encourage further research and to inform practice. They are intended to throw some further light on the conditions necessary to support either a homogeneous or diversified higher education system. In that sense they are presented from a policy perspective. This means they deal with broad issues of institutional difference – at the generic level – rather than the detail associated with specific variation within a particular institutional type. The notion of stakeholder perspective is not one that has attracted much interest from researchers. Indeed, if there was a prevailing perspective from which most research into diversity was conducted it would be from the perspective of the researcher, in other words, it is curiosity driven. Diversity and the broader concept of co-ordination in higher education systems, from the perspective of specific stakeholders or beneficiaries, such as students, are worth further investigation.

The evidence supporting each proposition or group of propositions is persuasive without necessarily being conclusive. Further research, perhaps seeking to establish appropriate variables that could withstand measurement over time, would help to substantiate the durability of the propositions. However, if the outcome is to inform practice, it would remain important to define the stakeholder perspective from which the notion of diversity was being examined.

Several specific avenues for further research have been identified in this paper. Firstly there is the relationship between institutional diversity and the competitive market environment. Much has been written on this topic by a number of people, particularly in relation to Australian higher education over the last ten years, and the prevailing view is that competitive market conditions promote convergent behaviour amongst institutions. This has been based on observations of institutional behaviour during times of economic buoyancy, although this condition has not been emphasised by researchers. In other words, where a government has deliberately deregulated and given institutions greater autonomy to respond to a competitive market place, this has occurred at

a time of high demand and a growing market. In Australia and New Zealand, this condition has now changed, and institutions in both countries find themselves competing in a deregulated market in which demand is falling and in which funding is inadequate. The opportunity therefore exists to investigate the behaviour of institutions in this new environment and to verify proposition 9, namely that during periods of low student demand and limited resources in a deregulated competitive market, the potential for systemic diversity increases.

Secondly, little research has been done on the impact of co-operation on institutional diversity. Proposition 10 suggests that the greater the co-operative activity between institutions within a higher education system, the greater the potential for institutional convergence. While this might seem a logical conclusion to draw, there has been little if any research on the relationship between institutional co-operation and diversification. This is particularly interesting given the frequently stated desire of the current New Zealand government to promote a differentiated higher education system on the one hand, and to discourage competition and encourage co-operation on the other. The unique set of policy conditions required to achieve this end is potentially complex and worthy of research.

Thirdly, in relation to the impact of ranking on diversity, there is scope for innovative research on the relationship between consumer enrolment preference based on self-perpetuating perceptions of institutional prestige and tradition, and the actual performance of an institution. This is an aspect of a student perspective on diversity and institutional difference associated with choice. It is particularly relevant given the transformative impact of information technology on higher education and the raft of new kinds of global institution, and older institutions offering new kinds of global education, that are having a profound impact on institutional differentiation and student choice.

Finally, returning to the more general issue of co-ordination in higher education systems, there would appear to be a dearth of research on the impact of global education initiatives on the whole concept of a national higher education system and the ability of a government to exercise control over it. The rapid increase in international consortia such as Universitas 21 and the Global University Alliance, and the internationalisation of the programmes of prestigious universities such as Harvard and MIT³ are effectively breaking down the established understanding of a national higher education system. The impact of this globalisation of education on higher education policy in small countries such as New Zealand, and on its small (by world standards) higher education institutions is likely to be profound.

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Notes

1. Unitec has been seeking to achieve university redesignation since 1995 in the face of active opposition from the existing traditional universities in New Zealand.
2. The picture in Auckland is distinctly different. Here, in a city of over one million, there are now three universities, two of which are closer to the traditional university model, and one which is clearly a university of technology. There are also two polytechnics, one of which is similar to other large urban polytechnics in New Zealand, and another (Unitec) which has all the characteristics of a university of technology, but has not yet been granted the university name.
3. MIT has recently announced that all of its curricula will be freely available to anyone in the world via the Web. However, MIT will continue to require enrolment (and the payment of substantial fees) for students requiring examination and certification.

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