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Prof. Michael Shattock
Higher Education Management
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To our readers

When the Journal was started, and for some years, the readership to which it was geared was primarily administrative and managerial staff. Since then, a significant proportion of the academic community has become interested in strategic questions about institutional and system-wide managerial issues.

Moreover, the administrative and managerial community has become much more concerned with these wider issues and the policy debates they encourage than the more technical and structural side of higher education management. In fact in recent issues of the Journal many of the articles are as much about policy as about management per se and it is expected that that will continue.

Consequently, in agreement with the Advisory Board, the Editor announces the new title of the journal, effective as of the first issue of volume 14, in 2002.

Higher Education Management and Policy
and in French:
Politiques et gestion de l’enseignement supérieur
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Towards European Convergence of Higher Education Policy?¹

Ivar Bleiklie
Norwegian Centre for Research in Organisation and Management, Norway

ABSTRACT

The question of whether we are headed for a convergence of European higher education and policies cannot, I argue in this article, be answered by definition, but depends on what aspect of the educational system that one focuses on. The analysis of higher education policy change focuses on organisational structures and policy processes and the emphasis is on exploring variation and similarities between the three cases of England, Norway and Sweden in the 1980s and 1990s. It seeks to combine an actor’s and a structural perspective and is based on a dynamic regime approach. It is argued initially that variations in policy can be explained in terms of policy regimes defined as the network of actors and patterns of influence that are particular to a policy area or an entire polity. Section two outlines and analyses the policy of the recent reforms by focusing on the choice of policy instruments. In section 3 attention is turned to the regime characteristics of higher education policy and development of the concepts that shall be used for the analysis of regime changes. I discuss both the roles of the main actors, including central government agencies, local institutions, elites and interest groups, and the relationship between the actors. In section 4 follows a discussion of processes of change within dynamic policy regimes and the main empirical analyses of regime changes and emerging policies under the current policy regime.

INTRODUCTION

The question about a possible convergence of European Higher Education policies towards one common model is an interesting and important one. This question and the related, but more ambitious question about whether we are headed towards a global model of higher education, is often based on an underlying presumption that there are standardising forces at work whether they are based
on a Weberian notion of the bureaucratisation of the world (Weber, 1978), emergence of world systems of education (Meyer and Ramírez, 1998) or notions about globalisation (Berger and Dore, 1996) and European integration. These theories make an argument that at face value seem convincing and important because they deal with some forceful processes contribute to shaping our world. (Evans et al., 1985; Tilly, 1982).

The first perspective emphasizes ideology, conceptions of the world rather than organisational structures and processes. This raises the question of the relationship between ideological standardisation on the one hand and actual practices and concrete institutions on the other. Having studied educational reform in a number of European countries the ideological similarities are striking. If one limits oneself to the study of government documents and declarations one gets the impression that exactly the same thing is happening all over the place. However, looking at concrete reforms and organisational arrangements there is a lot more variation. These findings lend strength to the second perspective. Furthermore, when new apparently similar formal structures are introduced into specific national settings, the may function quite differently, depending on where they are introduced.

To jump somewhat to the conclusion therefore, I shall argue that the validity of the statement that there is a movement towards a European model of higher education depends on what aspect of the educational system that one focuses on.

In this article I shall focus on organisational structures and policy processes and the emphasis is on exploring variation and similarities between the three cases of England, Norway and Sweden (Kogan et al., 2000).

The analysis of higher education policy change in this paper seeks to combine two perspectives. A number of theoretical approaches to the study of public policy share a common and popular assumption: policy change is the outcome of changing preferences among political actors. According to such an actor's perspective, policy change is the outcome of changing preferences in actors or changing power constellations between actors with different preferences (Ostrom, 1990). Sabatier and Jenkins-Smith (1993) advocate another version of an actor's perspective and emphasise that policy change is normally caused by external system events such as changes in economic and political conditions that affect actors' belief systems. An alternative to an actor's perspective is a structural perspective that emphasises how underlying norms and values shapes policy change. This perspective explains policy change as an outcome of shifting values or constellations of values (Skocpol, 1992; March and Olsen, 1989). Such shifts may in turn be caused either by internal dynamics of political institutions or external events that causes internal disruptions.
Towards European Convergence of Higher Education Policy?

Whereas it is commonplace in social science analysis to choose one of these perspectives, I shall consider it a likely assumption that both social action and structural sources of change may be located within the policy field in question or outside it. Accordingly, actors may change behaviour because of changing preferences resulting from experiential learning or changing positions within the field. Their behaviour may also change because their belief systems change as a result of shifting external conditions of action. Similarly, structural change may have endogenous or exogenous sources. It may be caused by internal structural tensions or result from reactions to tensions caused by changing environmental conditions such as reduced autonomy and legitimacy that may threaten the resource base of the system. In higher education systems where institutional autonomy is a central concern, much attention tends to be given to the question of to what extent change is generated by actors and events within the system or the extent to which changes are introduced and driven through by outside forces.

The following comparative analysis of higher education policy in England, Norway and Sweden in the 1980s and 1990s is based on a dynamic regime approach (Bleiklie, 2000). I shall argue that variations in policy can be explained in terms of policy regimes defined as the network of actors and patterns of influence that are particular to a policy area or an entire polity. This does not mean that the content of policies per se can be deduced from particular regime characteristics, but it does mean that the processes that bring about change in policy can. The policy content is defined in terms of policy design where design is regarded as a set of characteristics that are observable by the policy instruments that are deployed (Ingram and Schneider, 1990).

The next section outlines and analyses the policy of the recent reforms by focusing on the choice of policy instruments. Then in Section 3 attention is turned to the regime characteristics of higher education policy and development of the concepts that shall be used for the analysis of regime changes. I discuss both the roles of the main actors, including central government agencies, local institutions, elites and interest groups, and the relationship between the actors. In Section 4 follows a discussion of processes of change within dynamic policy regimes and the main empirical analyses of regime changes and emerging policies under the current policy regime.

POLICY DESIGN, REFORM AND CHANGE

Policy changes in higher education since 1945 may be described empirically in terms of the measures that have been introduced. The first two periods of policy change took place roughly between 1960 and 1980, and were first characterised by growth, than by democratisation and to some extent by bureaucratisation (Daalder and Shils, 1982). The main focus here is on the third period of transition,
characterised by unprecedented expansion and systemic integration that began during the latter half of the 1980s.

However, in order to define the dependent variable more precisely I shall use the concept of policy design. Policy design is defined as a set of characteristics that distinguish a given policy in one field, from policies in other fields, countries or periods, including policy attributes that affect the orientation and behaviour of target populations. Design in this meaning is not the outcome of any master plan, but reflects the decisions of many different people and organisational units, often acting in different contexts and places. They are not necessarily logical, or even coherent (Ingram and Schneider, 1993, p. 71f; Rein, 1983, pp. xi-xii). Because Ingram and Schneider’s behavioural characteristics of policy instruments correspond well with the policy dimensions that are relevant to higher education policy, their taxonomy shall be taken as a point of departure. The underlying assumption of this taxonomy is “... that public policy almost always attempts to get people to do things they might not otherwise do; or it enables people to do things they might not have done otherwise” (Ingram and Schneider, 1990, p. 513). They identify five different reasons why people are not taking actions needed to ameliorate social, economic or political problems:

“... they may believe the law does not direct them or authorise them to take action; they may lack incentives or capacity to take the actions needed; they may disagree with the values implicit in the means or ends; or the situation may involve such high levels of uncertainty that the nature of the problem is not known, and it is unclear what people should do or how they might be motivated” (Ingram and Schneider, 1990, p. 514).

Then they distinguish between five broad categories of corresponding instruments or tools according to the behavioural assumptions on which they are based. Below I shall first discuss how higher education reform policy can be described in terms of policy instruments. When I refer to specific measures under one kind of policy tools, this does not mean that they belong to this specific category per se. This depends in the final analysis on what assumptions a measure is based. Neither does it mean that policy tools are mutually exclusive.

Changes in policy design

Over time, significant changes have taken place regarding the policy instruments that are employed, both with respect to what kind of instruments that are used and with respect to the way in which particular types of instruments are applied. The most striking development is the increasing array of instruments that are deployed. Whereas policies used to be concentrated on authority and capacity measures, they now encompass a wider array of instruments. Secondly, existing types of instruments are used in different ways. In particular, the changing
management philosophies have changed the way in which authority instruments are used. Finally, in certain cases discussion may arise as to what category a particular instrument belongs because the behavioural assumptions behind its use are unclear or contested. Comparing the three countries I shall highlight similarities and differences between them rather than presenting the reform policies in detail (Kogan et al., 2000).

Authority tools are simply statements backed by the legitimate authority of government that grant permission, prohibit or require action under designated circumstances. These tools assume agents and targets are responsive to the organisational structure of leader-follower relationships (Ingram and Schneider, 1990, p. 514). Authority tools have always been important in the state management of higher education and university affairs. However, such measures have traditionally been much more salient in the almost entirely state-owned higher education systems of Norway and Sweden than in England, where state authorities hardly tried to wield any authority at all. In the former countries, however, university legislation and other legislative measures determined such important issues as the degree structure, examinations, and the obligations of the academic faculty. Both in Norway and even more so in Sweden, Parliament made decisions on detailed matters such as the appointment of individual professors. However, from the perspective of the universities this formal control did not represent a problem as long as they felt that their autonomy and qualified judgement in academic matters were respected. In England, until 1981 “there was very little government policy for higher education” (Kogan and Hanney, 1999). Whether measured in terms of the legal status of the institutions, academic authority, mission, governance, finances, employment and academic decentralisation English universities scored high in terms of autonomy. Although the relationship between the state and universities used to be close in England, it was characterised by a benevolent regime under which the universities enjoyed extensive autonomy and little authority was exercised by the state.

The reforms of the 1980s and 1990s signalled new directions in higher education policies in all three countries, but with different emphases. In England there was a clear centralisation trend, although denied by central politicians and officials, whereas in Norway and Sweden the reforms came with the message that in the name of quality a new freedom was to be bestowed upon higher education by means of a move from regulation to performance control. The policy design was supposed to be radically altered by less emphasis on the traditional rule-oriented use of authority tools than previously and more emphasis on goal formulation and performance. This was portrayed as a process whereby state authority was rolled back and autonomy and decentralised decision-making was put in its place. One characteristic that applied to all three countries was that higher education had become more politically salient over the years. Accordingly central government
authorities, whatever their leaning, were more concerned about the cost of higher education and more interested in affecting the product of higher education institutions in terms of candidates and both basic and applied research than previously. This meant that although governments might steer in a more decentralised manner than previously, they were interested in steering a wider array of affairs and in this sense power was centralised rather than decentralised.

In England the benevolent “private government of public money” was replaced by a new regime where the government started to formulate goals for the universities, and apply legislative and financial means in order to reach those goals with relatively little consultation with the academic community. Although new forms of ex post control had been introduced in Norway in the name of decentralisation (e.g. activity planning and performance indicators), the new instruments did not replace, but came in addition to, the traditional detailed legislation that regulated an increasing array of university affairs. Swedish reforms were more consistent with the officially stated goals of decentralisation and autonomy. The use of authority tools thus was reduced in the Swedish case. However, both economic difficulties with rising unemployment and the Social Democratic return to power in 1994 resulted in a gradual return to more centralist policies with more use of authority tools.

Incentive tools include those that rely on tangible payoffs, positive or negative, to induce compliance or encourage utilisation.

Incentives have traditionally been important tools in the life of academic institutions whether it is the use of student grading, competition for fellowships, research money and tenured or untenured academic positions. However, they have not been considered policy tools, but rather tools that were integral to the academic community and were used to cater to its internal concern with maintaining academic quality. Incentives were thought of as tools that were used by and within the “republic of scholars” to motivate individuals. Conscious political use of incentive tools first commenced in the late 1980s.

In England a shift in the direction of extensive and active use of incentive tools began with the introduction from 1985/86 of the Research Assessment Exercises (RAE) whereby qualified basic units are arranged in hierarchical categories according to their research performance. Most of the research funds were dedicated to the top categories and no research funding to the bottom category. The incentives were ostensibly directed at selective research funding on a meritocratic basis, but the system also resulted in positioning departments in a hierarchy of esteem in which non-performing institutions were excluded from research funding.

In Norway the most important incentive tool, both financially and from a principle point of view, were the funds that were tied to the production of new graduates. Thus the funds for graduate candidates were supposed to be distributed as
research funds to the individual teacher. Norwegian incentive tools were thus supposed to increase production of undergraduate candidates by motivating institutions to produce more graduate candidates. The idea was furthermore to produce more quality research by motivating individual teachers to be more efficient advisers.

The Swedish reforms represented yet another version of design and use of incentive tools by being exclusively directed at institutions in order to enhance competition between them. A performance-based funding system was established, partly following enrolment and performance of undergraduate students, partly on number of PhDs produced. In order not to encourage universities to focus too much on the competition for students and student processing without regard for quality, 5% of their funding should be based on an evaluation of the institutions’ quality development work. However, the latter measure was revoked by the incoming Social Democratic Education Minister in 1994 and never really took effect.

Capacity tools provide information, training, education and resources to enable individuals, groups, or agencies to make decisions or carry out activities. Capacity tools in connection with university policy are primarily about money. Three characteristics were common across the three countries: the formidable growth of the higher education system, the reduced per unit cost and the assumption behind government policies that higher education institutions needed to be more responsible and accountable for the resources they received. In addition it was generally believed that they ought to generate more of their own resources from other sources through competition for students and research funding. However, if we define the capacity of the higher education system in terms of qualified teachers and research funding it is clear that both the direction and use of capacity tools varied considerably.

During the early 1980s English universities faced severe cut backs and the definite end of the quinquennial budgets. From the late 1980s and during the first half of the 1990s the system expanded sharply in student as well as budgetary terms until the Age Participation Rate reached 30%. By the mid-1990s the growth was halted and the government introduced measures to prevent student numbers to rise much above current levels.

The Norwegian reforms aimed both at expanding the system considerably and improving the level of funding from 1988 on, but student demand by far exceeded the plans and the planned real budget growth barely helped to keep up the level of funding. From 1993 the policy of growth was replaced by austerity and budget cuts. Furthermore, excepting the late 1980s and early 1990s, state colleges have tended to be relatively favoured at the expense of universities and scientific institutions.
The Swedish government sought to expand the higher education system in the early 1990s as part of a government strategy to fight unemployment and strengthen the economic competitiveness of the nation. However, in the face of increasing budget deficits, the government had to cut expenditures and limit growth. Although the Swedish system grew much less in the first five years of the last decade (from 1988) compared to both England and Norway, it had an even growth curve and a stronger growth than Norway from 1993.

**Symbolic and hortatory tools** assume that people are motivated from within and decide whether or not to take policy-related actions on the basis of their beliefs and values. Symbolic and hortatory tools are important in university and higher education politics among other things because universities are institutions that are imbued with value, have a long history and embrace a fairly well codified although not necessarily consistent set of values and widespread norms. The most recent reforms represented a value shift and changing fundamental notions of what the university was all about. With it a new set of symbolic tools has emerged (Bleiklie, 1996; 1998). As is evident from the policy documents, other written statements and our respondents, the idea of the university as a community of scholars, student or disciplines, and as a public agency to some extent yielded to the idea of the university as a corporate enterprise. In Burton Clark’s recently coined concept, the idea of “the entrepreneurial university” was on the rise (Clark, 1998). The changing symbols had at one level apparently far-ranging and deep consequences because they redefined the mission of the institution as well as the content of what it was doing, the roles of the main actors and the power relationships between them. Academic institutions and individual researchers were requested to cultivate competition and entrepreneurship. The symbolic tools that come with the corporate enterprise notion of the university are closely related to other policy tools such as the authority and incentive tools discussed above. It is hard to discern clear differences between the three countries with regard to the symbolic and hortatory tools that were introduced. They may all be adequately described and analysed in terms of the corporate enterprise idea of the university and co-exist in a more or less tension-ridden relationship with more traditional academic values. However, the implications of apparent ideological innovations often are exaggerated and do not necessarily threaten traditional values. Their impact depends very much on how the new values are interpreted and what practical arrangements they sustain (Kogan et al., 2000). The interesting comparative stuff lies in the fact that these apparently identical symbolic tools are used to justify different policies as should be fairly evident from our discussion of other policy tools.

**Learning tools** are used when the basis upon which target populations might be moved to take problem-solving action is unknown or uncertain. Learning tools are also fairly tightly related to the corporate enterprise notion of the university and
New Public Management ideology with which the notion is related (Bleiklie, 1998; Pollitt, 1993). The idea that target groups can learn from experience is part and parcel of this ideology (Olsen and Peters, 1996). In all three countries this led to the introduction of new policy tools, such as evaluation and changes in existing ones such as planning, reporting and accounting procedures. The underlying idea was that the organisation formulates goals in mission statements, activity plans and budgets and receives feedback by means of respectively evaluation exercises, annual reporting and accounting. From this information the organisation was supposed to be able to enter into a learning process by which it might gradually improve its performance. By and large these were the policy tools that the actors involved seemed to have the greatest doubts about. Whereas proponents dreamed of a more efficient and goal oriented administration, opponents portrayed them as threats to academic freedom, open dialogue and reflection. With hindsight the tools were questioned on the grounds of their ritualistic character, their feeble if any effects and their symbolic, rather than substantial impact. Another unintended consequence of their introduction was the sensation that the administration of the tools and the information that had to be gathered, processed and analysed, led to bureaucratic expansion rather than improved performance.

POLICY REGIMES

Having observed these changes in higher education policy, it is time to consider explanations of how the changes came about. The following approach is based on the idea that a policy field such as higher education is governed by policy regimes and it is based on three considerations: 1) Policy regimes are networks of actors. The focus on the relationship between policy regimes, defined as dynamic actor networks, and policy design, is influenced by the policy network literature. The concept of a policy regime, but differs from the policy network concept in several important respects. Most policy network approaches present the networks as rather static, structural arrangements for interest representation, characterised by goal-oriented behaviour (Atkinson and Coleman, 1992; John and Cole, 1997; Knoke et al., 1996; Raab, 1994; Rhodes and Marsh, 1992; Richardson 1997). Policy regimes are dynamic in the sense that the actors and the relationship between them change over time. 2) The network of actors within the policy regime is not exclusively engaged in interest politics, but may comprise any type of action that potentially bears on public policy. 3) The policy process within the dynamic regimes is not only driven by goal-oriented rational action, but may also be driven by rule-oriented institutionalised behaviour and by communicative action.

By using the dynamic network concept as a heuristic devise, we emphasise that the constellation of actors involved in policy making may vary over time as
well as cross-nationally and involve a wide array of different actors that are motivated by a diversity of factors.

**Dimensions of policy regimes**

Theories of how policy regime characteristics affect the content of public policy abound. Initially, I shall distinguish between two dimensions that have been important to the formation of ideas about relevant regime characteristics. The first dimension refers to the distribution of influence between actors within a field of policy making. The second dimension, cohesion, refers to how tightly or loosely the actors are related to one another.

**Influence**

Considering influence, I shall distinguish between two classes of theories relevant to the policy field under scrutiny. One class of theories comprises those assuming that higher education policies are made by one dominant institution or set of institutions: in our case either the central government/the state or individual, autonomous, local institutions. In addition, we find theories assuming that higher education policies are made through some form of mediation either via elites or via organised interests. This leaves us with four potential forms of influence: state domination, institutional autonomy, elitism, and interest representation. The influence dimension is here defined as a question of what type of actors constitutes the network on which the policy regime is based. I do not presume that the four types of influence are mutually exclusive, but shall instead ask what types of actors are active in higher education policy, what type of influence they represent, and what the relationship between them are. It is of particular interest for us to see whether there have been any changes with respect to influence patterns in higher education during the reform period under study.

**Cohesion**

In the policy networks literature, network cohesion has been an important topic. My point of departure is Rhodes and Marsh's (1992) idea of a policy network as a continuum, with "policy community" and "issue networks" at the two opposing ends. The criteria used in this analysis are membership, integration, resources, and power. A policy community would thus be characterised by: its limited membership; frequent interaction with shared basic values; all participants having a resource base and the ability to deliver their members' support; and a relatively equal power distribution among the network members. On the opposite end of the continuum is the issue network, characterised by: a large and/or wide range of affected interests; fluctuations in contacts, access, and level of agreement;
unequal resource distribution combined with varying abilities to deliver members support; and unequal powers among the group's members.

Cohesion is an important dimension of policy regimes as we have defined them. Thus corporatist arrangements of policy making can be seen as a type of policy regime, most often leaning towards the “policy community” side of the continuum. Loosely coupled networks of elite decision-makers or autonomous institutions, however, may operate like “issue networks” and constitute a very different type of policy regime. Considering both the variations across countries and the way in which the relationship between state and interest groups has changed over approximately the last decade and a half, an approach that allows for greater variety in the organisational expressions of such relationships seems to be called for. In the next section we shall discuss challenges to the policy regime concept and attempt to show how the dynamic regime approach can be useful for the analysis of the structuring of the English, Norwegian and Swedish higher education policy regimes.

Regime dynamics

Within a policy field the core activities of the field – such as the production and administration of rules, procedures or services – are subject to attempts by more or less cohesive networks of actors to affect and control relevant processes and events. These actors constitute a policy regime that may include local or specialised institutions, interest groups, various elites and central political-administrative authorities. State domination, institutional autonomy, elitism and interest representation represent attempts at conceptualising different ways in which a policy regime may be structured. How an actual regime is structured in this sense does not have to be theoretically predetermined, and the relationship between structuring and policy making constitutes a central part of the empirical analysis. The different types of influence represent ideal typical patterns that are not mutually exclusive. The patterns may thus appear in a variety of combinations depending on the constellation of forces that participate in policy making.

In analysing such forces I shall apply a combination of an actor focused and a structurally focused analysis of actor networks. The former kind of analysis typically assumes that rational action is the driving force of the policy process. It assumes further that policy design takes place under conditions where it is the outcome of power plays among actors who are involved in the process. The latter kind of analysis assumes that institutionally shaped norm-oriented behaviour drives the policy process. Furthermore it assumes that policy design takes place under conditions where it is the result of a process of adaptation between existing norms and values and new arrangements.
Thus two kinds of regime change may explain policy design: the policy preferences of those actors who make up a policy regime; and the hegemonic values and normative conceptions that are shared by all (or at least the dominant coalition of) actors in question. The two theoretical positions make up extremes of a theoretical dimension along which the array of possible explanations to policy design may be arranged. Here we find a purely rational action model at one extreme and a pure structural, norm-oriented institutional model at the other extreme. Actor-preference driven design processes and value-structure driven design processes are not mutually exclusive. We expect that actual policy designs usually do not fall clearly into one of those two categories, but are characterised by some particular mix and tensions that distinguish the process. Although we may speak of variation along a dimension delimited by two ideal typical patterns and a range of possible combinations in between, this is meant as an illustration, and as such it has its limitations. Actual policy design may be characterised by a combination of strongly preference-driven and strongly value-driven designs. Rather than arranging themselves neatly along one dimension, therefore, we are likely to find that unique combinations of characteristics measured along a number of dimensions can distinguish specific design processes.

REGIME CHANGES

In order to understand the policy changes that were identified above we need to look closer at the actors involved, their values and the relationship between them. One implication of the higher education expansion we have witnessed since about 1965 is that the growth of the system in terms of the number of faculty, students and institutions changed significantly the qualitative content, dynamics and conditions of actions for the actors within the system. In the remainder of the paper I shall explore the changes empirically by way of an analysis of the actors in higher education policy making and their interrelationships.

Actors and influence

In the analysis of the actors and their influence in higher education policy I shall use the typology of influence and consider to what extent there has been any development regarding the different types of influence during the period considered.

Changes in state domination

The three countries moved in different directions and from different points of departure regarding state influence.
England moved from a situation where the state accepted financial responsibility without demanding any say in how the universities managed themselves, to one in which in the 1980s the central government was characterised by its ability to determine policies and implement them without too much deference to external groups. Ministers played a dominant role in policy formulation, but the degree of state influence is more contested regarding control over the universities once the broad policy framework has been set (Kogan and Hanney, 1999; Salter and Tapper, 1994), had a dominant role in the determination of higher education policies.

Central government higher education policies in Norway were until recently concerned almost wholly with issues relating to access and size and macro structure of the system. Two parallel processes seem to have developed whereby the stronger central government role in higher education also represented a move from Ministerial towards a stronger parliamentary influence, opening up for stronger influence by politically influential actors like students and state colleges, at the expense of universities and scientific colleges.

The Swedish central government and its civil servants predominantly determined higher education policy since the 1970s (Lane, 1990). The Conservative coalition government of 1991-94 was successful in passing legislation that gave the institutions considerable more freedom, including the right to establish professorships. In the former period the voice of the academics seems to have been ignored, whereas academic and institutional input during the later reform process again seemed to be more significant. After the arrival of the Social Democratic government (September 1994) this change was somewhat moderated (Kogan and Marton, 2000).

**Changes in institutional autonomy**

Despite a presumed loss of institutional autonomy of greater state domination over English universities, Conservative ministers and departmental officials claimed there had been an increase in institutional autonomy where the universities became less dependent on the state for their resources. Institutional leaders undoubtedly became more powerful but their space for action was more strongly framed (Asking and Henkel, 2000). The universities have moved from a position in which they were almost uniquely trusted to run their own affairs, to a situation in which they were regarded at times with an element of suspicion, mixed with a feeling of continued respect for the quality of the top research universities.

Institutional autonomy in Norway has been affected by two kinds of developments in recent years. Arrangements that were traditionally regarded as safeguards for autonomy were dismantled both in connection with such arrangements as the incorporation of the universities in a national legislation and planning system and with the internal transformation of the university governing structure. The
legislation meant that a functional principle replaced a disciplinary principle of representation to the governing bodies, and that external representation was mandated on the university boards. However, the meaning of the term “autonomy” was redefined by policymakers and many institutional leaders. It no longer referred to the individual and collective autonomy of academics to make independent decisions, but came to mean decentralised decision authority of institutional leaders in relations to state authorities (Kogan and Marton, 2000).

The notion of the Swedish university as an “independent” cultural institution was not really evident from the policies implemented during the 1970s and 1980s. Many reforms during the 1970s were severely opposed by academics and students. The power of the professoriate was weakened by the 1977 reform, as outside interests were granted positions on decision-making boards (Premfors and Östergren, 1978; Svensson, 1987) and further in 1983 when it was established that one-third of all representatives on the governing boards would be non-academics, representing external interests (Lane, 1990). In the reform of 1993, the Conservative coalition government limited the influence of these outside groups by denying them positions on the university boards. We also observe one parallel to the Norwegian case in the sense that autonomy was redefined as a value for the institutional leadership, possibly to the extent that it weakened or infringed upon the powers of the professoriate and faculties.

**Changes in elite mediation**

The range of academic elites in England has been characterised as to some extent non-coterminous. Although the Oxbridge elites as a general class were not influential in government policy making, many of the most powerful co-opted elites were at the same time members of the “real” academic elite. Within the broad policy framework, substantive decisions affecting institutions or academic subject resources were delegated to bodies allocating teaching or research monies. These bodies consisted of “co-opted elites”, which became increasingly important in the implementation of quality assessment policies and the research selectivity exercise carried out by the UGC, and the successive funding councils. It is not clear, however, whether the co-opted elites directly affected policy making as opposed to its implementation.

The function of elites in the Norwegian higher education system must take into account the small scale of Norwegian society and the intimacy of a system where top civil servants in the ministries and university professors knew each other personally. Although the system had grown it was still relatively homogenous. However, in the Norwegian study we drew conclusions that were shared by the major players in Norwegian university politics: 1) There was no national higher education policy elite. 2) To the extent that there were integrated groups of powerful actors
in higher education policy making, they are local or specialised. 3) The groups were often relatively loose, temporary person- or issue-based networks.

The role of academic elites and their possible co-option in the Swedish higher education regime are difficult to discern for primarily two reasons. 1) The Swedish university system was based on the notion of equality of institutions across the country. 2) There was a long tradition of “expert” involvement in the policy process through the use of government commissions. Comparing the individual actors who comprised the leadership of the two major reform commissions, “U68” and “Högskoleutredningen 89”, Bauer et al. (1999) have noticed quite a significant difference in background and areas of expertise. The U68 Commission members all represented central government positions. The key members of the “Högskoleutredningen 89” were all academics. Thus, it appears that academic elite persons played a much more salient policy making role in the late 1980s and early 1990s.

Changes in corporatist mediation

Overall the role of the corporatist actors is difficult to detect in the case of English Higher Education, although certain actors who may be members of interest groups intersect with those admitted to decision making as co-opted elites. The interest group representing the university leaders, the Committee of Vice-Chancellors and Principals (CVCP), often encountered difficulties in representing the collective voice of institutional leaders who valued institutional autonomy above agreeing to a common line. Previously corporate interest-based networks existed in certain areas of higher education in the form of policy communities with stable, limited and consensual membership. To the extent that interest groups played a part in England they may have played their most important part in the period after elite structures started to disintegrate and before relatively stable policy communities shifted towards a larger issue network. The latter development characterised the 1980s. Thus we may say that the influence structure in England moved from implicit consensus between universities and government to governmental framing of policy without too much heed to established interest groups except where their interests were clearly aligned to current policies.

Norway has traditionally been counted among those countries where interest organisations and corporatist institutions have played an important part in national politics (Olsen, 1978; Rokkan, 1966). In higher education the situation was different. Although most university employees were unionised, their unions have not been influential. The exception was the traditional domains of labour unions such as working conditions and wage negotiations. To the extent that such issues interfered with other aspects of higher education policy, however, corporatist arrangements might make themselves felt. In general the field of work environ-
ment and the detailed regulations in that connection might in principle make the unions important and influential players, but in practice they did not seem to have exploited this potential.

The corporatist tradition in Sweden was evident during the late 1960s and the 1970s in the strong representation of the trade unions, industry leaders, and local government officials in the policy process. The policy network certainly leaned towards a type of policy community, with a limited number of powerful players at the negotiation table with consensus prevailing. During this time, the National Swedish Labour Market Board had a special role in the formation of higher education policy, given the goal of the welfare state to connect higher education to job purpose and job creation. During the 1990s, a shift from a “policy community” to an “issue network” seemed to have occurred. A wider variety of interest groups and organisations were involved in policymaking. The focus of the major reforms during the 1990s reflected the input from students as well as teachers and the business community (Bauer et al., 1999). Compared to the corporatist regime before the early 1990s the 1993-reform process was characterised by a shortening of the policy process, often skipping the traditional consultation process (remiss) which may have reduced the chance of some groups, from fully expressing their policy preferences.

Actor networks and cohesion

Whereas the basic characteristics of the three higher education policy regimes seemed relatively unchanged during the first half of this century, unprecedented growth and successive waves of reform policies introduced a new dynamism from the 1960s on. These waves broke up established structures and reshaped fundamental aspects of the regimes and the relationship between the actors within them. Thus all three countries underwent broad processes of structural change that had a number of similar characteristics.

First, the size of higher education until the 1960s was by and large relatively stable; it was exposed to relatively modest demand and its political salience was low. The growth of the system made it much more politically important and the prevailing notions of what the university does and its relationship with the state changed. Until the 1960s the prevailing idea about university research still was that it was the location of a small-scale intellectual and culturally important activity, the autonomy of which it was a state responsibility to protect. With regard to education, utilitarian concerns in many cases shaped the programs and degree system. Today it has come to be conceived as a high-cost, large-scale research and educational enterprise, an economically important activity, the cost of which it is a state responsibility to control and the results of which it is a state responsibility to exploit. As higher education grew it became more interesting to the politicians. It
was gradually lifted out of the purely elite, administrative sphere where top ministry officials and university professors prevailed and into the political sphere of a wider network of actors such as Parliament and interest organisations. Higher education thus became more exposed to various “external influences” and the wider political agenda of central governments. Economic policies and in particular labour market policies thus increasingly influenced relations and decisions in higher education in all three countries.

Second, although the co-ordination of higher education institutions traditionally turned on the relationship between the state and the institutions, the institutional side changed considerably. The systems evolved from relatively few universities and national scientific institutions into much more comprehensive systems. Binary systems were developed from the 1960s in all countries but have been or are currently about to become dismantled. This meant that a large number of institutions competed for resources, academic privileges and students. They were not only concerned with absolute growth of their budgets, but also with how they fared compared to other institutions. Thus the network of actors involved increased and their interrelations have changed. As higher education became politicised, relations became formalised and affected by the attempts of central government authorities to direct, integrate and control the costs of the higher education sector.

An appropriate overall characteristic seems to be that the regimes changed from cohesive, transparent networks of few actors – mainly the leaders of a few academic institutions and top civil servants to a wider and more politicised network. Compared with present times we may say of all three countries that when the expansion started in the 1960s, the higher education systems were small, and policies were often made within what today appear as intimate, community like and informal settings were the actors knew one another personally. As the system grew it become more formal and arguably less transparent. Management based on informal knowledge and personal relationships within relatively homogenous elite groups gave way to political-administrative processes embedded in formal structures and based on formal positions. The new networks of actors were more opaque and politicised. There was a stronger focus on the competition between institutions, the needs of the students, and the labour market. The process of politicisation also contributed to integrating higher education policies with welfare state and labour market policies.

Although the regimes of the three countries originally had elitist features, it is important to bear in mind the differences between them. First of all, whereas English universities were considered self-governed corporations, supported by the state, Norwegian and Swedish universities have always been part of the civil service. Whereas in England academic elites appears to have been self-governed, it is harder to distinguish between the state and the academic elite in Norway and
Sweden. Furthermore, comparing the two state systems, corporate actors were more influential in Sweden than in Norway.

Both the informal cohesive community-like actor networks and the wider formal actor networks were different. In England there was a movement from an independent academic elite to a wider set of actors in which central government through ministerial influence was a particularly influential actor. The changing actor constellation in Norway went from a situation in which a state civil service elite encompassed the academic elite to a situation where central government influence manifested itself as a more politicised and parliamentary influence through which regional interests were able to influence policy making. Finally, in Sweden a state civil service elite influence first transformed into a network characterised by corporate influence and then into a wider and looser network in which 1990s academic elites, business groups and party politics played more important roles.

CONCLUSION

Over time, say the latter half of the last century, there has been a tendency to use a growing array of policy instruments. Traditionally public policies typically relied upon the use of authority tools and symbolic tools. An increasing diversity of public tasks and growing responsibilities during the era of public expansion until the mid-1970s made capacity and incentive tools more important. Particularly important in this connection were welfare state services and various productive tasks, in some countries also of active labour market policies and comprehensive macroeconomic planning. The policy shifts during the last decades, including the rise of neo-liberalism, led to changes in the directions of the use of policy instruments. The use of incentives directed at institutions as well as individuals grew, as did the use of learning tools. The latter typically manifested itself in the form of the growth of evaluation within public administration. These were all policy shifts common to the three cases. They underscore that actor strategies and their impact must be considered against a backdrop of structural change that we find in all three countries.

In addition to the focus on policy change over time, the dynamic regime approach directs our attention to cross-national and cross-sector comparison between countries and policy sectors. Let us briefly try to sum up and draw some conclusions from the observations of higher education reform in the three countries. First of all it demonstrated that reforms espousing similar ideologies varied considerably both with respect to how radical the reforms were and to how stable the policies were (Bleiklie, 2000). Although the reforms meant an increased use of incentive and learning tools in all three countries, they were used quite differently. The reform patterns had some striking differences that seem clearly related
to general system characteristics of the three countries. These processes suggest that regime characteristics may be linked with policy design in different ways. The three patterns make up three types of policy styles that may be used as an aid for further studies into the relationship between institutional design and policy design.

In spite of the fact that the countries apparently moved in the same direction they did so in manners that were characterised by different national points of departure and that to some extent seemed to sustain national peculiarities. Thus the 1977 reform gave Sweden a point of departure that was different from England and Norway when the reforms of the late 1980s and early 1990s where conceived. Having introduced reforms in the 1970s that significantly reduced institutional autonomy, and tailored the educational programs to national labour market planning, the latter reforms were considered to move higher education out of the grip of the central government and closer to traditional academic values. In England and Norway the reforms were regarded as moves in the opposite direction as the state tried to gain control of higher education in order to control costs and use it in the service of general economic policy goals. In addition the politicisation of higher education meant different things in the three countries. In England the influence of education ministers seems to have been particularly strong. In Sweden party politics have influenced policies and in Norway MPs have acted as representatives of regions and their local state colleges rather than as party members.

English reforms were comparatively centralised, radical and relied more on tougher measures in order to discipline non-compliant institutions. Once introduced the policy was pursued rather consistently. This pattern illustrates the confrontational style, but also the relative stability that is the aim of the Westminster style of “winner-take-all-democracy”. This illustrates what we may call a heroic style of policy making. Actor preferences and their strategies were important for the initial policy change during the 1980s. Since then a new consensus seems to have emerged and the process has been more value-structure driven, characterised by a relative consensus under which the new Labour government that came to power in 1997 did not significantly alter the policies of its conservative predecessor.

The Norwegian reforms, however, were less radical. In a comparative perspective they evolved gradually in a value-structure driven process with considerable local variation as to how the reforms were implemented. The pattern illustrated the decentralised, steady and consensus political incremental style characterised by Olsen (1983) as “revolution in slow motion”. Although the policies where formulated by the central government, individual institutions had considerable leeway as to how the reforms were implemented, but most importantly, incentives were used to reward those institutions and individuals who performed well.
Swedish reforms were characterised by a more confrontational style than those of Norway, but also by less political stability. Government changes led to policy changes and a varying central government control in terms of authority tools and use of incentives *vis-à-vis* educational institutions. The Swedish experience thus illustrates what we may call an *adversarial style* of policy making in the sense of an uneasy tug-of-war between two major political blocks with two very different visions of higher education. These policy shifts indicate that actor preferences and the tension between them have played a more important part in Sweden than in the other two countries.

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Cultural Change and the Machinery of Management

Chris Duke
University of Western Sydney-Nepean, Australia

ABSTRACT
This article examines one attempt to create an entrepreneurial culture. The university concerned is threatened by new market pressures, further deterioration of the public sector resource base, and more vigorous competition, following the end of publicly funded growth in the Australian higher education sector in 1996. Burton Clark’s Creating Entrepreneurial Universities (1998) has been promoted as a reference point providing the key to a more responsive structure and an integrated strategy for institutional transformation. At the same time congruence with established academic values is required, and sensitivity to the differing potential of different discipline areas to generate new income.

University activities are examined to consider how obstacles might be overcome. Central to the change are iterative and interactive relationships between structure, culture and process. Favourable or problematic events can trigger an upward or downward spiral: success nurtures optimism and further success; failure fosters cynicism and withdrawal, with token compliance to management.

CONTEXT

Changes in Australian higher education

The transition to mass higher education was early and relatively easy in Australia, a new society in which even the oldest and most prestigious universities are young by northern hemisphere standards, and more utilitarian than deeply academic in orientation. Elitism in Australia has more to do with wealth than class. As higher education moves into the universal phase accurately foreseen by Martin Trow thirty years ago (Trow, 1974), talk turns again to a tertiary system, notably on the occasion of an OECD Tertiary Education Seminar in Sydney in 1998, when the
Minister for Education adopted the language of “universalisation” (OECD, 1998). This second transition is proving harder. The “crisis in higher education”, a UK theme for a generation, has suddenly become common language in Australia (Coaldrake and Stedman, 1998). There appears to be little reference to the experience of other systems which are further through this transition and have experience in managing the problems it creates.

The difficulty was unavoidable in any event, given the cost of system enlargement and the implications of a government resolve to share the cost differently. It has been exacerbated by a sharp shift in public policy, with more purposeful rolling back of the Welfare State following the election of a conservative (Coalition) “small government” federal administration in 1996. After a decade of rapid State-funded growth in higher education based on the benevolent and internationally admired HECS (higher education contribution scheme) mode of cost-sharing, by means of deferred income-contingent payment, public expenditure on higher education was capped and then reduced. Universities were allowed to increase home enrolment numbers at a heavily discounted “marginal HECS” rate, driving down average unit costs. That in turn was cut back by ministerial directive for 2000. HECS cost and cost-sharing have moved sharply to increase student contributions and payback.

The government also allowed universities, in heavily restricted ways, to recruit domestic full-fee students. This affronts the ideology of equity. The University of Western Sydney (UWS) was among the majority of universities which refused to introduce full fees. More subtly, managerial language and the language of the market place were employed by federal government, and have rapidly penetrated the discourse of academic administration. The Vice-Chancellors’ Committee has virtually split. The elite “sandstone group” have opened a separate lobbying office in the federal capital and withdrawn in 1999 from the hitherto comprehensive employers association, AHEIA. Quite suddenly, the relaxed regime of continuous State-funded expansion is replaced by a prospective free market regime. The change was stalled, blurred and deferred by the leak and consequent rejection of a Cabinet paper by Minister Kemp late in 1999 (Kemp, 1999a). This would have moved the system onto a more openly competitive and a more rational basis for development. As it is, however, universities are meant to compete in order to survive.

Pork-barrel politics being what they are, it is unlikely that any university will be closed. More plausibly, a resurgence of elitism, expressed in the aspiration of leading research universities to garner more public funds and compete as world class, could recreate, in the name of global competitiveness and diversity, a new binary system. A number of new Australian universities could become effectively “teaching-only” or non-doctoral institutions again. Directly enforcing system diversity however remains for the moment in the political “too hard basket”. A policy
debate on university research concluded with the Christmas eve 1999 release of the “research white paper” (Kemp, 1999b). This, and more broadly the need to diversify income, strengthen identity, and become entrepreneurial rather than welfare-dependent, made Burton Clark’s 1998 study relevant and timely.

**Heritage and identity – teachers’ college to CAE to new “metropolitan regional”**

The University of Western Sydney is the largest Australian “new university”. Now a decade old, with 31 000 students, it is a federation of the old Hawkesbury Agricultural College and two former colleges of advanced education (CAEs). The federation is integrating, under the pressures described above, to become a single, more cost-efficient, university during 2000. The largest “member”, UWS Nepean, is the focus of this study. Like the third part, Macarthur, it lacked, but has been busy creating, a research tradition. Nepean started life as a teachers’ college before diversifying across many of the main academic and vocational fields of endeavour, including engineering, law and outstandingly good performing arts. It grew fast through the nineties.

In the late nineties growth continued by means of high numbers of marginal HECS students, carrying the additional load by means of rising staff-student ratios (SSRs) and other efficiencies. It leads new universities in the enrolment of international full-fee students, the main alternative income stream in the Australian system. In 1999 the marginal HECS route was closed off. The alternative, as for all universities and especially those which have little by way of history, property and reputation, was to diversify and become more commercially effective, or go into decline. Although Australian universities may look robust in “earned income” compared with their UK counterparts, the comparison can mislead. Australian universities tend to include HECS fees as “earned” rather than State income. In reality this belongs in the public-sector-guaranteed income category. With this adjustment, Australian HE looks more “welfare-dependent” than the British system. This is not surprising, since the Government change of 1996 effectively echoed, with less drama, the changes effected by Margaret Thatcher at the beginning of the eighties.

**The change required – towards the entrepreneurial university in quick time**

Australia is a remarkably bureaucratic, subtly authoritarian, society beneath a veneer of easy-going egalitarian mateship. Convict roots run deep. The lateral and larrikin qualities admired in Crocodile Dundee are offset by an urge to make rules, over-control, and play safe. An Australian teachers’ college turned college of advanced education emerging from State bureaucratic control inevitably scored higher on rules and procedures than on entrepreneurialism. Conformity was rewarded before innovation. This makes a quiet life preferable to risk-taking.
Many academic staff were preoccupied in the nineties with teaching rising numbers, and upgrading to acquire the doctoral credentials expected in a university. In a system with some excellent output but a quite relaxed attitude to research non-performance even in the old university sector, working for a doctorate over a lengthy period took higher priority than publishing research. Core teaching business flowed in, in ever-rising numbers, as age participation rates rose, older returners took first and higher degrees, and the State funded the growth.

Quite suddenly the talk changed to efficiencies, performance appraisal, strategic planning, key performance indicators and benchmarks; and to markets, niches, clients, customers and competition. Australians are great travellers, academics no less than others, at ease with “internationalisation”. Suddenly however globalisation appeared as a new demand. Markets and competition became international. Leading universities opened campuses abroad to become multinational conglomerates. Becoming an entrepreneurial business was now an expectation, and quickly a strident demand, put upon administrators and teachers brought up in a more gentle and protected regime. The faintly recognised authoritarian character of Australian society makes this quite a difficult transition to achieve. It requires a deep cultural shift in academic life and institutions. Burton Clark’s typology provides an excellent guide. Understanding, attempting, succeeding and embedding a new way of being are however distinct steps. Each takes some time.

SOME ISSUES AND CHALLENGES

Is it all the same money?

Until the mid-nineties university income was almost equated with Government annual grant in many institutions. Annual grant was top-sliced for central services and needs and the residue carved up by load-based formula. Academic and other units are then left to run within a slowly evolving historic budgeting formula. Some units, especially in business and commerce, would generate additional income from consultancy and outside teaching. This constitutes additional earnings, to the individual or to the academic unit. Grant income was certain and steadily rising. Additional income was marginal – “pocket money”. It was seen as scarcely the business of the University, outside its routine budgetary scope, with the exception of fee income from international students.

At UWS Nepean this was exacerbated by a mid-nineties drift of control to the “black band of middle management”. Deans controlled budgets. Department heads depended on local goodwill for what they knew and received. Processes were bureaucratic if not nepotistic, certainly not transparent. Government income flowed into faculty “black boxes”. Income “from below” was trapped and disap-
peared at or below the level of the Faculty. This is a far cry from Burton Clark’s strong steering core, for it gave the central core little power: either to steer, or to ensure that the benefits of new enterprise, now imperative for institutional survival, worked for the institutional interest. It therefore proved necessary to break the mould. Nepean created a flat structure of twenty schools, with direct lines of communication to the centre, and open data and decision-making systems for resource allocation and accountability. This major structural change occurred during 1997.

More subtle was the gradual recognition and acceptance that all income was the University’s. Its generation and wise use had to become a shared responsibility. As government income declined, new income sources were required. The balance shifted from 90:10 toward 70:30 (treating HECS as “grant income”). It must go further in the near future. The “earned” part could no longer be treated outside the main process of business planning and the funding of ongoing posts and work. It was no longer pocket money. Conversely, all forms of income including government core grant now had to be transparently “earned”.

Income-sharing was a clause in the 1997 Enterprise Agreement with academic staff. More important was a gradually penetrating realisation of the paradigm shift involved. Mechanisms included: debates and disputes of School Chairs; an Allocations Committee and a robust Council Finance Committee to create modern finance systems and allocate resources annually within the Academic Plan according to performance and need, using key performance indicators (KPIs) and not just by load formula; reward mechanisms for the sharing of net surpluses to give adequate incentive to Schools which were entrepreneurially effective; an Earned Income Group (a modest emulation of Warwick’s powerful tool) to monitor and foster development; and public celebration of the entrepreneurial success of those most able to learn and to perform.

At an important if mundane level it was necessary to track down, identify and absorb a host of separate “private” accounts opened for sundry purposes and used at local unit levels to salt away undisclosed income. The task took many months.

Who takes responsibility for prosperity and survival?

To the extent that collegiality is replaced by managerialism (“us” by “them”, “administration” by “management”) it becomes harder to achieve shared responsibility for the university’s success. Australia’s commonly conflictual industrial relations context, exacerbated by a combative federal government stance on industrial relations, makes it harder to function in collegial shared-destiny mode. A long (three year) and ambitious second enterprise agreement spanned the period 1997 to 2000. This assisted UWS to achieve an unusually high level not only
of productivity (measured *inter alia* by SSRs) and a period of industrial harmony, but also some sense of common purpose in coping with a government inclined towards privatising universities.

Rhetoric and shared purpose in such a political climate (with students also partly locked in by a government threat to student unions in the form of voluntary student unionism, VSU) only goes so far. UWS Nepean’s leadership, in proselytising, had also to create the means and reward systems to motivate academic units to seek new business and income sources, and all staff to adopt much more of a client focus. The methods were diverse. Most important, and under almost continuous review and renegotiation, is the arrangement for costing and charging for entrepreneurial activities, and for allowing Schools, and to a lesser extent individuals, to retain some of the benefits of enterprise. That is made harder by less Spartan and less carefully costing regimes in other institutions in the system. On the other hand, transparency within UWS Nepean and the discussion of such data at Chairs’ meetings encouraged sharing of good practice and emulation in what became an increasingly open setting of constructive competition. By the end of 1999 the idea was becoming established that Schools could look to fund continuing (tenure-track) appointments from a steady non-governmental income stream. This was a significant shift for a system barely weaned from Nanny-State fund dependency.

**Who manages “external relations”?**

There was a time, not far distant, when it could be argued that “external relations” was the responsibility of the institutional head. This left academic staff free to get on with – as it was later called – the core business of teaching and research (Price, 1994). That notion, not so very far removed from the ideal of the ivory tower, has been superseded by concepts of regional partnerships and learning region development. It is more accurate and more helpful to think of the university – and even more the HE system as a whole – as an open system, with porous boundaries and many interactions through them. This requires virtually every academic and even support unit to develop relations with relevant partners.

At Nepean this has been fostered partly by support for specific academic unit initiatives, partly by a general rhetoric of mission for regional development and for working with natural stakeholder partners. The quarterly news magazine and an annual research publication in particular feature such ventures, along with celebratory events where industry partnerships produces student support and student success. Strong local media coverage (mainly newspaper and radio) has been achieved. The scope includes prizes, honours R&D consultancy placements and scholarships, institutional partnerships for specific-purpose award and non-
award courses, research or R&D contracts, and less frequently signing ceremonies to recognise co-investment in a venture on university land. These educational and commercial agreements include some State-wide and national, but more commonly international agreements. Sometimes as with technical and further education (TAFE) and private vocational colleges, the relationship combines a local with an international dimension.

The approach is to foster all possible initiative at local academic unit level, while providing guidance and support on technical matters, and retaining a tight central control on all contractual outcomes and signing via appropriate offices (Registrar, International office, Linkwest, Research Office). Finance has played a central role in ensuring that agreements are economically net viable, with clear business plans to move to net surplus in early years unless the relationship is explicitly and by agreement for a non-commercial purpose.

How do academic staff feel about all this?

Possibly the largest challenge in an era of economic rationalism such as Australia currently experiences it is to sustain the notion that a real university spans most of the major disciplinary fields. More important, for a big multi-purpose institution serving a large and populous region, it means attempting to meet most of its region’s unmet higher education needs. This means making explicit and fostering ownership of a modern “idea of a university”, as well as devising and meeting the requirements for entrepreneurialism as sketched by Burton Clark.

The second is the related quest for research time and excellence, often at the expense of a more than token teaching commitment. Then any “third leg” of community service, like administrative chores, is seen as incidental and a distraction from research and its publication. UWS Nepean is fortunate in that many of its staff carry a strong, often passionate care for teaching and students, despite the pressure to compete by publishing. Promotion practices have done a little to reinforce this as excellent teachers and “citizens” are promoted alongside vigorous researchers. Many UWS staff migrated from older universities not to replicate old ways but to do things differently, in a more community-grounded way. For all that it is criticised, the CAE tradition has carried over not only as heavy bureaucracy but also in a commitment to excellence in teaching. Less easy to manage is the pressure placed on all (especially new) universities to concentrate research in a few areas and drain resources and ambition from others.

The third tension concerns the less vocational and, in a materialistic society, less marketable disciplines, notably the humanities and the non-applied sciences. The “crisis in the humanities” is endemic in Australia. Nepean has however contrived
to support vigorous humanities Schools, in the more marketable communications and media field but also a vigorous School called Cultural Histories and Futures which enjoys a high research profile underpinned by joint programmes with for instance business and law schools. The Science School has similarly experimented with curriculum innovation and, like the engineers, succeeded in holding and increasing its numbers against a strong trend into more popular fields like law, business and accounting. In each case, bold and optimistic leadership at middle management (School Chair) level is essential, but so are clear signals from the centre that the University values and will continue to support such endeavours in the interest of remaining a “real university”.

**Industrial relations and enterprise bargaining**

The strength especially of the academic staff union, NTEU, and the strongly structured, legally and bureaucratically framed, character of industrial relations (IR) make this a much more important consideration than for instance in the United Kingdom. Despite federal government hostility “pattern bargaining” by the NTEU succeeds in securing comparable rewards and conditions across the whole HE sector. Local variations require a high level of effort and mutual goodwill. Sharing the rewards of enterprise has come to feature in the second and the current third enterprise bargaining rounds, with conflict especially where universities seek to relate pay awards to attaining generated income targets. Conversely universities insist that higher than chosen pay increases, and failure to generate more outside income, will automatically trigger redundancies. By 2000 there was little sign that the Australian industrial relations environment was conducive to the stronger steering, and the greater responsiveness and flexibilities, implied by Burton Clark. Meanwhile some managements have sought a more aggressively “managerial” style of operating (Coaldrake and Stedman, 1999, for a discussion of the changes implied).

The IR environment, then, is largely inimical to fostering entrepreneurialism. The job classification system and its close monitoring by the general staff unions, for example, make it difficult to respond flexibly to new needs and opportunities. Indeed the word flexible has acquired a negative connotation for unions. On the other hand the UWS union leadership has proved itself clear-minded and responsible in confronting the crisis which government policy has brought about since 1996. It price for co-operation – over workload agreements, additional earnings, redundancy, etc. – is a measure of participation in decision-making which some senior managers find offensive to “management prerogative”. There is some way to go before Australia with its particular IR tradition could reach the kind of bi- and tripartite arrangements characterising IR in parts of Europe.
Obsessive about client service?

Australia’s deep and barely acknowledged instinct for bureaucratic regulation sits uneasily with an open and friendly lifestyle and a welcoming attitude, which is more than stereotype. The relaxed and laid-back Bondi-lifestyle society still carries the mark of its convict origins – a State (or set of States) before it was a civil society. For the “new universities” which emerged from the Dawkins reforms and the abolition of the CAE sector at the end of the eighties, the bureaucratic tradition is a serious impediment to becoming truly entrepreneurial. For all universities it is becoming imperative to adopt a stronger “client service” culture. The language of clients and customers angers some academic staff, especially in the more liberal humane traditions, as well as some student leaders who see this as a commercialisation of education.

The phrase “obsessive about client service” was coined by a consultant to UWS. It has been adopted as a self-challenge. From being relaxed to the point of complacency Australian universities have become more aggressively, often crudely, competitive than those in other systems with which I am familiar (Coaldrake and Stedman, p. 184 and generally). This is in response, and over-reaction, to sustained government pressure to win more private business as the value of the annual grant declines and the unit of resource is driven down. The recognition has also dawned that (whether or not the language of the supermarket is used) all units from marketing and registration to graduation and alumni relations must be much more service-oriented. Student appeals threaten to flow into legal action in an increasingly litigious society. More positively, the quest for “client service” has led UWS Nepean to dismantle the large central administrative units in favour of local campus service centres (one stop shops), and to add resources and stature to the academic development unit as both quality and flexible delivery climb the agenda. UWS Nepean also introduced a Student Charter in 1998, and revised it after a trial year at the end of 1999.

Porousness and co-operation within the institution

We have recognised the need for “external relations” to be deeply and widely shared for the entrepreneurial to serve and be nurtured by its region. The same porous quality is required within the institution if through student and community service and responsiveness it is to retain and win new business. At Nepean internal co-operation is encouraged in a general “cultural” sense by formal and informal cross-School events. These include Academic Board, Course Management (QA) Committees and School Chair meetings as well as more informal meetings (for quality, collaboration and development in offshore work for example) and some convivial social events designed to bring people together across disciplinary fields to share and create new ideas.
The mode of allocating resources to Schools was fundamentally altered in 1997: from a student load-based formula which encouraged Schools to garner students to themselves, to a needs- and performance-based approach. In this a public set of key performance indicators (KPIs) is set alongside the rolling five-year academic plan as the basis for annual resource allocation and periodic review by a peer-based Allocations Committee chaired by a Pro-Vice-Chancellor. The KPI matrix has the effect of rewarding enterprise and additional income-generation, and reducing the domination of State-funded load. Although this mechanism, and other leverage devices, have not put an end to “student-hoarding”, they have done much to shift the culture. UWS Nepean has seen sharply rising demand over the past two years, with the highest NSW State increase in first preferences for university entry for 2000. This may be attributed in significant measure to the capacity to offer new degree combinations including double degrees; these are far more responsive to changing demand than single-School (or Faculty) offerings can be.

**Governance and enterprise**

University governing bodies seem to be gaining in significance as massification and funding changes increase pressure on university finances, and identities. In easier times the governing body (Board of Trustees at UWS and Council at the UWS Nepean level) might be seen as little more than an insurance policy and safety net for management, with useful skills for certain Council committees. As entrepreneurialism becomes necessary, the relationship becomes more interesting, and potentially more complex. External (lay) members can bring significant influence and opportunity as well as expertise to a university, but with it may come potential conflict of interest. Less obvious than this is the latent problem as business skills and results become more important alongside academic performance, for the expertise, and hence the authority and influence, of external governance members to threaten or usurp the possibly more erudite and less worldly approach of university administrators, academic and other.

UWS Nepean acquired a new governing body (Council) from the end of 1996. Through key externally chaired committees in particular, the Council was able to exert quite useful influence towards making the institution more externally accountable and responsive, although never at a cost to the proper scope of management. Finance Committee in particular provided a healthy source of vigorous and challenging criticism in terms of quality and timeliness of data, the institutional response rate to such data and the trends that they showed, and the strategy for planning and using earned income. More difficult, and still an uncompleted task as the distinct Nepean administration is absorbed into the centralised UWS system is the accurate identification of full costs as a basis for pricing, and deciding whether to take up, or reject, possible new ventures. At a more technical level still Nepean has been building a capability to create and manage
spin-off companies and to account for their management and performance through to the ultimate (Trustees) level of governance. While specific assistance from lay governors and board members is useful, such expert assistance is normally bought as consultancy. The main value of lay governors at Nepean has been in terms of attitude to making and using money, that is to say culturally rather than structurally.

SOME CONCLUSIONS – THE CULTURE AND THE MACHINERY

This paper has asserted an Australian predilection for bureaucracy, that is to say for rules and procedures to cover as many contingencies as can be thought up. At UWS Nepean this tended to produce very detailed procedural manuals and guides to underpin policy. Despite easy electronic and hard-copy availability these were (and some still exist and still are) more honoured in the breach. In trying to anticipate and manage for all contingencies they also tend to foster a culture of caution and conformity which sits ill with innovation and entrepreneurial flair.

This has produced a continuous dialectic between the rule-makers and rule-keepers, on the one hand, and those who seek to innovate and move briskly ahead of competition to win new markets, on the other. So far as possible the Nepean top management approach has been to pull control strongly to the centre, but then to free up what have proved to be generally vigorous and ambitious Schools (and some other research and administrative groups), to hunt for and bring in new business. They are given encouragement, together with as clear and supportive as possible a framework of advice, guidance and sanction. They are encouraged and rewarded to be active, to think and operate laterally, and to co-operate with partners within and outside UWS Nepean especially in building longer term strategic alliance and partnerships which will assist the spectrum of teaching, research and development activities.

This calls for a high level of delegation, the capacity to let go and give entrepreneurs their heads, while drawing clear boundaries to their modes of operation. It calls for a high level of mutual trust. It is actually much harder than imposing more levels and forms of accountability and control, and it puts greater pressure on the resilience of the fewer procedures that are in place. Trust and a benevolent cycle of improving performance has built up, not initially in every case but rapidly through the great majority of Schools, essentially experientially and through possibly modest initial successes, giving a basis in confidence to think and act more ambitiously. Such process in the “soft” confidence-and-self-esteem sense has proved far more important than the formalisation of processes and the creation of new structures. It has been a matter of stripping back structures and procedures (two academic levels instead of three, two or three procedures for course innova-
tion and approval in place of eight or ten) rather than adding more. It has also proved almost essential to put the judgmental and quality assurance arrangements into peer ownership. This assures rigour, commitment and ownership of such frameworks and controls, rather than being seen as the whims and bossiness of an interfering management.

The Nepean experience strongly vindicates the belief that a strong steering core is compatible with vigorous entrepreneurial units. Indeed it suggests that this is essential, and that a culture of enterprise can breed very fast if the conditions are put in place and the actors encouraged to give their best. The rapidly deteriorating political environment of higher education then becomes a bracing challenge, for all that few would have chosen it, rather than an excuse to retreat into academic isolation. Above all, the Nepean experience since 1997 has shown (what all good leaders and administrators surely know) that many people have a huge capacity for innovation and creative enterprise if they are only given the chance.

The art of entrepreneurial leadership, once the framework and directions are set, is to attract and retain good ambitious people and to give them their heads. From the experience of success the Nepean experience has also shown how cynicism, if never entirely dissolved, can fall away. In this way an academic institution, as a community, can gain the confidence to be different from other universities, leading to that essential system diversification through which “universal higher education” will rapidly evolve.
Cultural Change and the Machinery of Management

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Achieving Cultural Change: Embedding Academic Enterprise – A Case Study

James Powell, Michael Harloe and Mike Goldsmith
Salford University, United Kingdom

ABSTRACT

This paper presents a case study of how one university has sought to bring about cultural change within the institution by embedding academic enterprise. The paper reviews the nature of the "enterprise university", sets Salford within this context and that of higher education more generally, and drawing on two examples, illustrates how the university seeks to (re-) establish itself as a leading enterprise university.

CONTEXT – THE CHALLENGE

In an increasingly challenging environment, higher education institutions across the world find themselves under threat from a variety of sources. There is growing competition on a global scale for students at all levels. There are rising expectations from national governments that universities should be capable of doing more for less, coupled with the expectation that universities will also be able to make the scientific breakthroughs which will lead to technological development and improved economic competitiveness in the new millennium. There is greater selectivity in research support, which encourages and forces co-operation between institutions nationally – whilst on the international level such co-operation has become a rule of the game. Universities are increasingly encouraged to work closely with industry, to provide high level training and re/up-skilling, to undertake near market research activities and to spin out new companies. Last, but by no means least, there is the new challenge posed by developments in ICT – developments which challenge traditional methods of delivering teaching and the mode of attendance – the how and where a student studies. As more than one person has put it “who would want an MBA from the University of Bigger/Littler when Harvard offers its MBA by distance learning over the Internet?”

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THE CASE

This paper deals with how one HE institution, the University of Salford, located in Greater Manchester, United Kingdom, has responded to these challenges over the last two to three years. It highlights the situation in which the University found itself in the middle of the late nineties and the strategy it has developed in the light of this changing environment. It focuses in particular on its development of Academic Enterprise (Æ) as a means by which the new strategy could be implemented, not only in promoting work with industry and commerce, but also with other stakeholders, such as those in civil and voluntary organisations, in the community at large, and, not least, those within the University itself. It shows how Academic Enterprise becomes a means by which cultural change can be achieved (re)turning Salford to a position of (traditional) strength as an “enterprising university”.

THE ENTERPRISE UNIVERSITY – ITS CHARACTERISTICS

Burton Clark’s (1998) work on entrepreneurial universities identifies some institutions that had adapted to change more successfully than other universities during the 70s and 80s. It is worth highlighting the list of key characteristics of such universities that Clark discovered in his research. These were unique in their search for a special identity, a distinctive niche in a differentiating higher education system. They had focused on growing, not just their research and teaching income, but also on support from business and industry. They were characterised by a conscious effort to innovate in how they went about their business, to achieve a substantial shift in their organisational character in order to arrive at a more promising posture for the future. The key was a collective effort across the institution that involved the core academic units of the university, as well as administrators and senior management and that was guided by academic values. Another aspect of their success was by academic reinvestment, entrepreneurial process that generates resource which is ploughed back into improving academic quality and the relative position of the institution. Could Salford achieve similar success?

THE UNIVERSITY – BACKGROUND, ISSUES AND STRATEGY

Salford was founded in 1896 as a working mens’ technical institute; grew through the first part of the twentieth century to the point where it received College of Advanced Technology status in 1960, and full university status in 1967. Largely science and engineering based, it flourished in the seventies, but in 1981 its future was threatened by extensive cuts in state funding. It survived, gaining a reputation at the time for its enterprise activities, and in 1996 merged with another HE college (for whose awards Salford was responsible) to produce a much
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larger and more broadly based institution in terms of the range of disciplines it offered. It is now an institution that educates 20 000 students a year, that is carrying out a considerable volume of high quality research, that has an important engagement with business and the community, paying the wages of over 2 000 staff, with a sound balance sheet and that has a considerable reputation with industry, commerce and the community, externally, both within and beyond the higher education system, in the United Kingdom and overseas.

However, the merger process had changed the nature of the institution considerably, leaving it with an unclear vision of what type of institution it wanted to be. The managers and leaders of the institution thus had individual and collective responsibility, to set the university on a path that would find an academic niche, giving the staff a pride in a forward thinking innovative motivation with a clear identity.

Two indicators, however, show the difficult position in which the University finds itself – quality and finance; the latter will be considered later in the paper.

Quality Indicator

Dealing with the first, the much maligned, but not wholly fictional Times (a leading British Newspaper) League Table of Universities. It ranked Salford 58th out of 98 universities. Salford is in a group that includes, just above it, City, Brunel, Ulster, Heriot Watt, Lampeter and two new universities, Brookes and Northumbria. Just below Salford lies Bradford and then the majority of the new universities. As the Times guide says “Salford finds itself in the grey area of our table, where the best of the new universities meet the older, lower achievers”.

The overall objective is to ensure that Salford is not seen as a low achieving inhabitant of this grey zone, by those on whom, directly or indirectly, the institution is dependent. The issue was to decide where Salford wants to be. Or more practically, where could it realistically aspire to be and work towards reaching?

A good deal of thought was given to these questions. Of course, the simplest options to consider would be the institution’s prospects for either becoming a much more highly rated old university, applying the criteria that are used when making these judgements, or to become a rather super new university.

In practice neither of these solutions would do. Salford simply does not have the resources to become a major league research based university and could not convert a university which has a diverse mix of research active and inactive staff into one in which 90% plus of the staff were research active. Since the early nineties the institution has been following a selective approach to building research capacity, an approach which will continue.
As for becoming a sort of super new university, by which is meant an institution with a predominant focus on teaching and not research, and on meeting mainly local and regional needs, with very limited national and international significance, this option was not one that colleagues would eagerly embrace and work towards. Such a vision of Salford was simply unacceptable to all university stakeholders.

So where was the University to go? The conviction at the senior level was that the future success of the institution lay in building on, but also reinterpreting Salford’s past reputation as an enterprising university, which is closely attuned (more demonstrably than the elite of old universities) to the needs and problems generated by business, industry and the community, and which is proactive in seeking out new ways of fulfilling this socially responsive remit.

But this focus is not just a local one (new universities may do that) but regional, national and international as well and the institution must set and reach the highest standards, if it is to achieve excellence status to satisfy the needs and problems generated by business, industry and the community.

Across the University, there are considerable academic achievements that exemplify these high standards and which, in various ways, reflect Salford’s remit. For example, there is high quality, industry oriented education in media and design. There is also a new and very promising research initiative on urban and regional sustainability supported by the United Utilities Chair. A major regional project, known as GEMISIS, involving work in ICT with a number of companies and public and voluntary sector agencies is another example, as increasingly is the institution’s work in Virtual Reality and its reputation for industrially-applied physics and materials research. There is high quality research in the health service and in housing policy; and the institution shares in the new Manchester Science Enterprise Challenge Centre. Last, but not least, there is nationally recognised work on key skills training across the curriculum, as well as support for enterprising students and their teachers through the Business Enterprise Support Team, or BEST for short.

The context in which these examples are placed is that of a system of higher education that is now moving from the current rather simplistic binary division between the old and the new universities to a truly diversified system. It is closer perhaps to the US model, in which there are several distinctive types of universities with differentiated missions. In this system there will be a wider range of bases on which an institution can establish a reputation for excellence.

Salford is establishing its own distinctive identity in this emerging system. Most important of all is the work and resources focus on the task of establishing Salford as a leading enterprise university. The real test of whether it is successful will be when staff and the world outside can increasingly attach some content and
value to the label of an enterprise university. The current government’s emphases on the role of higher education in relation to business, industry and the community and on widening access and participation, as exemplified by the new Higher Education Reach Out to Business and the Community Fund and the new scheme for allocating additional funded numbers opens up important opportunities for institutions like Salford.

Cost indicator

On the previous page we indicated that we would refer to two measures or indicators of institutional vulnerability. If the first – the quality indicator – enabled the institution to focus on what it is trying to achieve, the second provides a partial but crucial focus on the obstacles to such an achievement. It will hardly surprise anyone to learn that this second indicator concerns finances. The simple fact is that repositioning Salford as a premier league enterprise university will require considerable investment. Investment involves many different things but a distressingly large proportion of them are dependent in the last instance on money. It may be possible in theory to boost investment in situations where income is declining, but there are not many successful examples, at least in the universities. So a primary requirement is income growth.

The scale of income growth required is something along the following lines. Higher Education Funding Council of England (HEFCE) suggests institutions ought to have a surplus of about 3% for investment annually, a figure of over GBP 3 m in the case of Salford. But institutions also need to cope with the increasing costs of current activities. In Salford’s case these costs would add at least another GBP 3 m to the required income growth, giving a total of GBP 6 m in all.

A simplified look at the University’s income trends in the past few years indicates the nature of the problem. In 1995/96, the aggregate was about GBP 98.7 m. The year after, income grew considerably to GBP 109.6 m. But in 1997/98 it scarcely rose (up to only GBP 110.6 m) and 1999/2000 it fell back to GBP 108.5 m. Clearly such figures make the investments needed to realise academic plans and wider objectives extremely difficult. Income growth is thus a major priority. The most successful universities are not only successful academically but also financially: the least successful are weak in both respects.

How has the institution responded to this situation of having a highly constrained income? In simple terms, it seeks both to do more with what it has and to earn more, by being “smarter” in the way it does this. For, the majority of the staff of the university are already at “full stretch” and cannot work much harder.

So, firstly, the institution has clearly been attempting to use the money that it spends more effectively and efficiently. In recent years it has eliminated substantial deficits in some areas of the university, so substantially reducing the need to
use surpluses to cross-subsidise deficits. The University has also budgeted for a new Academic Enterprise fund through which it has increased the resources being reinvested in its staff.

Secondly, the institution has sought out new sources of funding to add to its traditional public resourcing, to go beyond the simple redistribution of the scarce provision it was given. Increasingly, in the new era of higher education financial support, resources are allocated on a competitive basis, rather than funds being made available through a basic grant. Examples include the competition for new funded places, the poor estates programme, the joint infrastructure fund for research, competitions such as the Science Enterprise Challenge (SEC) and many more. The University has had some successes in these competitions (for example, in poor estates bidding, the Joint Research Equipment Initiative (JREI), the Science Enterprise Challenge (SEC), in the Higher Education Funding Council for England (HEFCE) and other support for teaching and learning quality initiatives, and in European Union funding), but overall still needs to do better.

In the past Salford has been dependent for success on a small number of committed academic staff. Its has frequently been very difficult to persuade other colleagues to pursue opportunities aggressively, especially if they appear to receive little or no encouragement and support for their efforts. This is just one aspect of our culture which we have sought to change. The institution at all levels is now identifying and supporting the most promising opportunities for attracting new income that are available and pursuing them successfully.

So the challenge for Salford is to establish a positive identity and position for the university which will enable it to grow, to become a high quality institution with a high reputation that has a secure position in the higher education system. It has already gone through considerable change as it moves along this route, but there is a lot more still to be accomplished. The status quo is simply not an option. Change may be unsettling and stressful, but if the conception of what Salford can become is to be fulfilled, then acceptance of change has to be a constant feature.

The changes that Salford has made in the academic organisation, the management of the university and the establishment of Academic Enterprise (Æ), and the redirection of resources to reinvestment are all directed towards establishing the sort of institution that Clark (1998) describes. Given the vision of Salford as an enterprise university, it is focusing efforts on translating this into a reality, through teaching, research and academic enterprise, and also through administrative activities supporting these three. And the institution’s staff will only really find out just what an enterprise university is as they realise sustained success.
More generally, and following Clark’s guidelines, the evolving Salford University that has these characteristics:

- A Management Group working to a common purpose and so providing a strong strategic direction to the institution.

- Mainstream academic faculties and schools that share an enterprising approach to their own activities. Rather than oppose or ignore the broad vision for the university, they use and adapt it to help guide their own development, as a way of presenting and reinforcing their own external and internal standing. The University is making a sustained and conscious effort to institutionalise innovation and change, rather than just bolt it on to what already exists. The key issue is that such innovation is academically driven – not just driven by income generation as an end in itself, but related to core academic disciplines and their development.

- A growing multiplicity of innovative academic units (what Clark calls an expanded developmental periphery) engaged, for example, in business and community links, multi-disciplinary research, continuing education, curricular and teaching developments and so on. Over time the more successful and permanent of these units may lead to the creation of new mainstream schools.

- A diversified and growing funding base, with significant income from other public sources than the funding council, from business and industry, and from non-profit sources. Over time these latter sources will have a larger proportionate share of rising income. Year on year, the University will be increasing the amount invested in innovative and high quality activities, and shifting away from activities that are neither of these.

- A culture, that is a set of dispositions, attitudes and priorities, that supports, values and is committed to making an enterprise university a reality. This poses the issue of intellectual leadership, of exerting a positive influence on the academic directions that colleagues take, and of providing support and encouragement. Finally, it also means working at breaking down:

  - Barriers to positive change especially bureaucratic administrative structures and contracts, developed for different purposes, and neither relevant or helpful to successful working in industrial, commercial, business of any “real world” situations.

  - Divisions between staff that only impede development, for example between the various disciplines, between the academic and the support staff, between those that mainly teach, those that mainly research and those that do both.
Part of the problem in any traditional academic organisational culture is that enterprise needs is very different, often needing team effort, and academics are still not normally expected to work in teams.

**FROM THEORY TO PRACTICE**

Having looked at the background issues, how has Salford University actually embraced enterprise? Two examples – one minor, but not unimportant in terms of working with industry – and one major, involving much wider cultural change, provide some idea of the scale and type of change the institution is seeking to achieve.

**Working with industry – The role of the business club: main example 1**

Faced with an earlier government funding threat to the University in 1981, Salford called upon its industrial and business friends for support, establishing the CAMpaign to Promote the University of Salford (CAMPUS). Twenty years on, CAMPUS goes from strength to strength, with just about 200 firms and public sector organisations of different kinds as members, of what was the first business club of its kind in higher education.

Many of the members are well-known national or international firms including Alstom; British Nuclear Fuels, Celestica, Kelloggs, Railtrack. Many are from the service sector, including banks, accountants, consultancy firms and legal undertakings. Others come from the public sector – local authorities and health trusts. But the majority is really small and medium enterprises with less than 250 employees. Each firm pays a subscription – in return for which they can draw upon the services provided by CAMPUS itself (seminars, technical support, social events, advice and updating on issues) or work with specialists in the University which can best help with problems, research and training. Some of this work – for example training – is customised to meet the needs of a particular company or else companies can simply take up an already existing activity or programme. Undoubtedly one major benefit of CAMPUS membership derives from the opportunities it provides for companies to network informally with professors and decision-makers; student placements and graduate recruitment; and the ability to influence the curriculum.

CAMPUS itself is essentially a “soft-sell” organisation – providing a point of liaison between members of the University and its members, but operating largely in a responsive rather than proactive mode. It is not there to sell the business services of the University – that is a task for Academic Enterprise – but to build a long-term relationship between CAMPUS members and the University. In simple terms, it can effect an introduction for an academic to a business – after that it is up to the academic and business to decide if they can work together and on what terms. Obviously it publicises the University and its resources to the
CAMPUS members, through its quarterly publication and University Services Handbook, whilst it also publicises the members activities though its Member Handbook.

CAMPUS has not been unaffected by the changes through which the University has passed recently. In the 80s and early 90s CAMPUS membership reflected the main activities of the University – with most members coming from firms in the science and engineering areas. More recently it has been the service and IT sectors which have been a source of new membership, and CAMPUS is currently attracting members from the health related and cultural sectors. The growth of the University in these two sectors alone has meant a new part of the University knew little about CAMPUS – with CAMPUS similarly knowing little about them. So there is a constant pressure to maintain excellent links with Faculties and Schools, as well as individual academics, and to make them aware of the resource and possible business opportunities which CAMPUS members represent.

But there is also a pressure to maintain contact with members – not least of all when subscriptions are up for renewal. Winning new members is often a difficult and time consuming task – it may take up to twelve months to persuade a potentially interested firm to join the organisation, but ensuring retention of members is just as difficult. Members treat CAMPUS as they probably treat most other (small) businesses/ suppliers – to be paid at the end of the queue, and either the subscription reduced or dropped altogether if times are hard and the organisation appears not to provide value for money. Members join for a variety of reasons – but kindness of their heart is not generally one of them! So increasingly CAMPUS has to review what its membership does provide, see that members receive the kinds of services they want, and not what it or the University thinks appropriate. The small team of five who operate CAMPUS on behalf of the organisation’s trustees (CAMPUS is independent of the University in organisational terms) thus have to run fast; be flexible and adaptable, and constantly aware of their need to change as both the world to which their members belong and that in which the University operates change. As such CAMPUS provides a microcosm of the kind of change which the institution seeks to achieve, not least through the next and second example – the embedding of academic enterprise within the institution.

**Embedding academic enterprise : example 2**

As is demonstrated in the example above Salford has a long history as an enterprise university with well established relationships with industry, business, commerce, public bodies and the community for much of its existence. As early as the late sixties it had established a mechanism for commercial

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exploitation of its work, and in the early eighties it, not only had one of the most successful commercial exploitation companies (Salford University Business Services), but had also established one of the first, of what are now many, University Science/Business Parks. But this way of working proved to be remote and almost irrelevant to a University which was doubling in size through merger, changing its academic profile substantially as part of the process; thus in the recent past, driven by pressures of a Research Selectivity Exercise, scholarship and scientific endeavour became the highest priority of academic activity after teaching and learning. Additional problems, arising from a difficult commercial environment in the face of the depression of the early 90s, obliged the University to re-think the way it wished to support sustainable enterprise activities, and as it tried to develop activities in ways not generally seen elsewhere either within the United Kingdom or even globally. In Professor Richard Duggan’s terms, the University was striving to “Look where everyone else was looking, See what not one else could see” and more particularly, “Do what no one else was doing” in a rewarding way.

In particular the University saw a need to produce an integration of the relevant “high academic values, skills and knowledge” of its staff on the one hand with “new dynamic enterprise and entrepreneurship partnerships with business and the community”. With this objective in mind, and reflecting the need for cultural change outlined earlier, Academic Enterprise (Æ) was born in 1998. It preceded government thinking on enterprise which now sees the area as a “third major strand” of University activity, expected over time to develop to become of equal importance to both Teaching and Learning on the one hand, and Research on the other. Enterprise and entrepreneurship would thus become a respected activity in its own right.

To help implement this development, a core Æ team was established, under a co-ordinating Director (a professor with a strong entrepreneurial record), supported by four Associate Directors for Lifelong Learning, New Initiatives, Business Development and Enterprise Liaison. The major goals of this team were, and remain, to:

- “Reach in” to the University, to increase the awareness of and then the activity of all its staff relating to Æ.
- “Reaching out” to business and the community to spread the knowledge of its Æ potential more widely”.

Also essential to the development was the appointment of Associate Deans (Æ) and Associate Heads (Æ). This structure enabled Æ to be embedded from the top down and bottom up across Faculties and Schools.
In order to bring about the necessary change processes of embedding \( \mathcal{A} \mathcal{E} \) in the University it was first necessary to develop an internal VISION that could be shared by everybody in the institution. The team felt that the real basis for achieving this was a strong linkage between the words “Academic” and “Enterprise” creating a new phrase suggesting an inseparable dipole for this new stream of University work. The team wanted colleagues to undertake bold new academic pursuits reflecting their clear academic values, knowledge and capabilities. The Greek ligature \( \mathcal{A} \mathcal{E} \) was originally chosen as a short and simple means of representing this strong bond. This has subsequently been developed, in conjunction with the PR Company – “The Chase” – to become our unique trademark, shown below:

As you can see we have strengthened the representation of the bond we believe is so essential for future enterprise success in a knowledge driven economy where business and the community can undoubtedly benefit by strong partnership with universities, and vice versa.

Therefore, Academic Enterprise is the University of Salford’s unique attempt to form meaningful wealth creating and socially inclusive partnerships with industry, business, the civil and voluntary services and the community at large. The Hallmark of our approach lies in opening up the formidable skills and imagination of our staff, developed through rigorous evaluation, on the basis of the highest academic values, to form reasoned specifications for actions in the real world. Academic Enterprise is also about having the daring to work in creative enterprise partnerships to stage-manage novel yet robust ideas, innovations, approaches and technologies into actual improvements for all our nation, and beyond. The importance of the four emboldened words in
this paragraph are reflected diagrammatically in an early version of our logo, shown below:

Our ambition was for our staff to share this simple vision of AE to enable them to develop new AE ways of working for themselves which would combine quite naturally with their own existing ways of working. So, repeating, for reinforcement, we believe the key to successful Academic Enterprise of the kind we envision it to:

- Tap into the highly skilled *imaginations* of university staff, which provides the “seed” for novel, creative and innovative developments.
- Impose rigorous *reasoning*, to ensure that all ideas are fully and systemically monitored and evaluated to reduce enterprise risk and hopefully to maximise opportunity.
- Apply intellectual and enterprise *daring* – being prepared to take calculated risks, to “have a go”, often in complex, uncertain and novel directions.
- Work for “real *improvement*”, of the highest order, in the real world, ideally to create socially inclusive wealth creation.

The deep partnerships we are, and will continue to, form with local entrepreneurs, build on their own drive and commercialism which complements our own capabilities and strengths. We repeat, in the knowledge economy success will only arise from the right collaborations of those who truly have recognition of the rich systemic and global nature of all future enterprise. And our partnerships with business, industry and the community are for practical applications, technology transfer and income generation, for the benefit of the university and its partners.

A colleague quickly nicknamed the AE team the “academic SAS” – a reference to a unique crack unit within the armed forces of the United Kingdom which operates with the highest professionalism where others “fear to tread”. Armed with this
image, the Æ team sought to share its vision across the University so that all staff would directly own their view of the vision for themselves. Such ownership was seen as critical in embedding the process of social change within the institution deemed necessary if Æ was to develop fully. All too often new ways of working fail to develop because those involved do not understand their new roles, or find the objectives to be mutually incompatible with their existing ideas, or do not agree with the new vision – or what is even worse, actively disagree with the new vision and continually fight to overturn its implementation.

Fortunately, there was a “felt need for change” amongst academic colleagues in this area of university life, together with a recognition that the institution had to become more enterprising, both to “balance the books” and provide for new growth. Despite some academic colleagues who believed that more commercial activity (especially of the kind that had not served the University well in the early nineties) was undesirable, the new vision presented an alternative way forward and appeared timely. If ownership of the vision could be achieved at the grassroots, then achieving lasting cultural change had a good chance.

Implementing the changes

Associate Heads (Æ) were appointed in all University Schools and Associate Deans (Æ) in each Faculty to share the vision with their colleagues locally, to further refine it with the help of those local stakeholders, and to work closely with the core Æ team to deliver the right encouragement and support (see diagram above to clarify line management responsibility and authority). These local champions
act as visionaries able to spot the unusual connections between ideas and practice that can develop into the new initiatives of the future. It was recognised early on that ideas for sustainable change would come from all levels in the University: the key to success was to harness the potential for the good of all. Two factors sustained this effort – the belief that staff had a huge potential for \( \mathcal{E} \) and their ability to work in interdisciplinary teams – the creative driver for the future in which Salford has a very special capability.

These Faculty and School champions have helped embed \( \mathcal{E} \) within their home areas and to improve communications. Even more importantly, they have also been able to deal quickly and caringly with the “disablers” and “blockers” of the new \( \mathcal{E} \) ideas at the local level. They have become creative and effective leaders, working with colleagues to enable them to see “patterns which connect” \( \mathcal{E} \) and industrial need, constraints as opportunities for new action, and to help provide the space to promote growth. Through better schemes for reward, incentive and the space to work, colleagues are able to work more effectively and, with the necessary enticement to participate in \( \mathcal{E} \), all within a less obstructive and more enabling climate.

To support this “reach in” process, the team has been developing a “one stop communications network” designed to improve \( \mathcal{E} \) communication within the University, to be known as the “\( \mathcal{E} \)xchange” and with the capacity to be able to match those with demand from business and the community to those capable and committed to \( \mathcal{E} \) activity within the University. Using a CNS Internet knowledge management system, based around the Autonomy search engine, the team are able to uniquely match people and projects and secure the better development of working partnerships.

The institution is also learning to “reach out” in different ways to business and the community. Like many other institutions, Salford incubates new ventures from our creative staff and students, developing “spin outs” based on sharing university potential. Our Business Enterprise Support Team (BEST) programme provides learning support for young academics and students who want to work in this fashion. We are also “spinning in” the inventive ideas from local businesses and other ventures to form developmental partnerships. The Enterprise Liaison function thus extends the work of CAMPUS, helping to form innovative partnership teams who can gain support and assistance for example from our newly formed “Innovation Forum”, a centre for the sharing of ideas.

Recognising the international dimension, and the power of virtuality and the internet to spread education and \( \mathcal{E} \) globally, as part of the GEMISIS project we have created a “Virtual Chamber of Commerce (TVC)” with local business partners that has enabled true remote global working partnerships to flourish between our entrepreneurial staff and those from industry who wish to work closely with the University.
In short over the last year the University through its AE team has created a framework to mobilise sustainable enterprise partnering – an opportunity management structure that helps:

- The creation of new AE initiatives including the discovery and capture of the possible.
- Better dissemination and technology transfer through appropriate knowledge management.
- A high utilisation of scarce staff resources. Colleagues now recognise the importance of sharing ideas and the complementarity of interdisciplinary working.

As a result staff are starting to share their precious contacts and bring back external consultancies into the university.

**EARLY SUCCESSES**

Though only fully operational for only eighteen months, AE has already secured changes and improvements. Local champions report growing interest, more reaching out to business and the community in new ways, and especially the development of working partnerships with industry, commerce and the public and voluntary sectors. Early scepticism has diminished as colleagues see early wins from AE activities – and there is a “buzz” with the many colleagues who have found the new AE way of working leading to real rewards, not only in enterprise itself but in teaching and learning and research.

Furthermore, our AE approach has been seen by both government ministries and funding agency as both pioneering and exemplary, pre-dating as it does current government aspirations for universities to become more open to business and the community, but at the same time almost entirely reflecting the government’s stated needs for its new enterprise policies for higher education in the United Kingdom. It has resulted in Salford winning the highest level of grant possible to develop our approach still further, but also extra funding to restructure the university more along AE lines.

At its inception the AE team set itself some clear targets for growth – two major projects per Faculty and two cross-university projects in its first full eighteen months – leading to ten in all. In fact over 25 were initiated, many of which are well on the way to success. AE has also contributed to other value added initiatives worth over GBP 10million to the University and the table below reveals other major impacts of AE’s activity in the form of summary statistic relating to key performance measures.
The above performance metrics give some measure of the impact of AEs work to date in a quantitative way. Shown below we present three short case studies of success in major new ventures in a narrative form. Hopefully this will give a better understanding of AEs activity in a contextually rich way and also should help the reader anticipate possible AEs futures.

**Case 1 – Salford Money Line – opening the doors of opportunity for all**

After many years working as a Housing Association professional and Justice of the Peace, Bob Patterson took early retirement to work with AEs staff to develop his idea of much needed “Community Banks”. He saw such “banks” as challenging the mainstream Banks and Financial Institutions and also attacking the stranglehold over the poor held by Loan Sharks and Cheque Cashing Services. After seeing at first hand, many cases of poverty and increasing debt, he perceived that there was a need for access to Financial Services (as basic as a bank account) to an ever-growing excluded group in the poorest and most disadvantaged areas of the UK’s cities; the problem is also world wide.

Following rigorous and ground-breaking research in Salford’s Institute of Social Research, sponsored by the Leverhulme Trust, two Community Re-investment Trust (CRT) projects have been set up to date (February 2001) in Portsmouth and Salford. Salford Money Line was launched on 1st December 2000 and now has over GBP 1.8 million on reserve to help needy individuals and enterprises. This CRT goes beyond the activities of Banks and Credit Unions by supplying credit to those unable to save, owner-occupiers unable to realise their assets, start-up businesses and other excluded by mainstream financial services.
The Æ has been central to the development of these and future CRTs by working to facilitate the plans and potential of a number of Private, Public and Third Sector (Housing Association) partners and enabling the contacts to develop in and with the Communities that CRTs will serve.

As well as assisting individuals with low cost loans to improve lives, the CRTs will be a useful new tool to help various agencies and ultimately society, to tackle poverty and those that prey on the financially weakest in our town and cities.

**Case 2 – The measurement of the sound of absorption of theatre seats**

An important parameter required for the successful design of theatres and concert halls is the amount of sound absorbed by both the audience and the seating. Obtaining this balance is a complex procedure requiring special measurement techniques and test facilities. The School of Acoustics and Electronic Engineering has for many years operated an international standard test facility accredited by the UK Accreditation Service (UKAS).

Realising the difficulties of obtaining the required data for a whole theatre with a small sample, Bill Davies, then a postgraduate student, now a member of staff in the School, developed a unique test method that is now accepted throughout the architectural world as a standard.

The School has carried out tests on a bespoke seating rig with representative sample audiences for a number of major projects. One such commission was for the London office of Building Design Partnership. The work involved testing existing and Royal Albert Hall. It was important to preserve the renowned acoustic properties of this magnificent venue whilst at the same time updating and improving seating facilities. This is an excellent example of how leading edge academic research can lead to high academic/commercial partnership that can make a very real difference in world leading and practical ways.

**Case 3 – Red Rose Forest**

The Red Rose Forest Project (RRF) was set up through Æ to develop a network of Small and Medium sized Enterprises (SME) involved in the woodland industries in the Lancashire and Greater Manchester region. The project is a joint initiative between the University, Forestry Commission, Countryside Agency, Bury Metropolitan Council, the European Regional Development Fund and the Single Regeneration Budget for the region.

The aims of the project are to bridge the gap between the grower, producers, manufacturers and customers of local timber and provide a forum to develop and share best practice, information, workshops, training and business support. The initiative is a superb example of the types of partnership that are
possible between education, Local and central government agencies and industry who can work together for mutual benefit.

Environmental Resolutions Ltd., an SME from the RRF network, have benefited immensely from an enquiry they made to Æ at the university. The Æ team was able to commission some research on behalf of the company, source some 30 undergraduates for a marketing research project spanning five European Countries and provide the company with training, short courses and personal and professional development through their involvement in Action Learning Sets at the University.

Real outcomes resulted for all the partners. The company received high-quality information on time which lead to direct commercial benefits within a very restricted time-frame. The students gained live commercial experience and an income. Academic staff gained up-to-date teaching material. This true partnership was born and has continued to develop as a result of stimulus from Æ.

Æ has written up twelve similar cases, available to readers.

What is equally important is the way in which Æ activities now contribute to improvements in Teaching and Learning and Research activities. In the case of the former, “e-university” activities have led to the development of five new electronically delivered Masters’ degree programmes in Construction IT (itself receiving the prestigious Queen’s Anniversary Award for Higher Education); Process Management; Sociology; Health and Safety, and an e-MBA. The institution has also developed its own e-learning management software, benchmarked it against other proprietary systems, and is now using it to develop and control all our internet based learning developments. On the research side, six new major projects have been developed: in the Back Office and HR Interfacing aspects of Community Banking; Multimedia Design; Product Design and Robotics, and IT for e-commerce management; A Fashion Design Network and Design against Crime. Æ’s support for research has enabled two research fellows to be sponsored, with a further fifteen doctoral students helping to raise the research profile in a number of new areas.

On the business front, the new Innovation Forum has already attracted some fifty small and medium enterprises that want to work with the University over an extended period to enhance their innovation and wealth creating skills. Under the UK government’s Teaching Company Scheme we have some thirty new programmes under development, allowing companies the opportunity to have new graduates working with them on problems of mutual interest to both the company concerned and the University – and from this activity new major Æ projects can be expected to develop in their own right.

Globally, our Æ activity is also bearing early fruit. The School of Languages, for example, as part of a major trade push by British Trade International, is developing material and support for the UK’s trade missions to Mexico. Our e-MBA and
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E-MSc developments now reach out to over fifteen English-speaking countries, and Portuguese and Spanish versions of materials are being planned to reach even larger audiences.

CONCLUSIONS – SUSTAINING SUCCESS

Though further examples could be provided, and have been cited for those with real interest, those listed above provide a flavour of the activity. They have resulted from the integrated approach given to AE and from its clear vision. The next major challenge will be to ensure continuity and sustainability in our cultural change process. In this context it is important for all aspects of CAMPUS and AE activity to be highly professional: industry in particular gives only one chance to create a good impression. Such an impression can be created by better communication; reliable, cost-effective and “on time” delivery of projects; improved methodologies; careful assessment of and follow up on new ventures, as well as constant monitoring and support of activities. Not least of all, whilst the AE team has learnt how to engage with colleagues in nurturing AE activities, they also have to develop ways of disengaging from projects, ventures and activities once they are successfully embedded – in order to give their colleagues space to grow further.

More generally, the leaders of the university have continually to reinforce the process of change and adaptation that they have started, ensure that resources are carefully managed, and opportunities provided which will encourage the spirit which will allow Salford to achieve its objective of (re)establishing itself as a leading enterprise university.

The paper has revealed some important challenges that will effect all universities and Salford’s responses to them on the basis of its own “University Fore-sight”. It has indicated an alternative, and it believes more academically appropriate, approach to reflecting enterprise in Higher Education Institutes. It shows how the characteristics of imagination, reason and daring can be combined in Academic Enterprise to much effect and how AE is beginning to be embedded in university life. This is an ongoing process. It is not simple or easy and needs major changes throughout the institution. Salford is not yet there, but it has made its own first strides to an alternative future.
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Please also look at Salford University's web site for more information (www.ae.salford.ac.uk) or contact us by e-mail at ae@salford.ac.uk.
Striking a Balance between Becoming Entrepreneurial, Nurturing the Academic Heartland and Transforming a Higher Education Institution

Frederick Fourié and Magda Fourié
University of the Free State, South Africa

ABSTRACT

The transformation of South African universities since 1994, pertaining particularly to student access, governance and organisational structure, has been relatively well documented. Over the past two or three years higher education institutions in this country have been faced with new challenges, relating mostly to financial needs and a revitalisation of their core academic functions. This article describes the response of one university to these challenges, inter alia by adopting an entrepreneurial approach that is linked strongly to the academic heartland of the institution. These three imperatives for change, the entrepreneurial approach, nurturing the academic heartland and transforming in response to socio-political changes, are proving to be uneasy bedfellows, giving rise to unexpected polarities and tensions. These polarities and tensions are analysed and their implications for higher education institutions are briefly discussed.

SETTING THE SCENE

The disintegration of apartheid left educational authorities in South Africa with a malfunctioning and unaffordable higher education system. It harboured an excessive number of universities (mainly due to the duplication of institutions to cater for racially separate higher education), a high fixed cost structure amidst a serious financial squeeze on higher education (due to huge demands on the national education and social expenditure budgets, at a time when fiscal frugality has become the norm), and inequality in funding, capacity, access, success rates and standards.
Soon after assuming power, the new government launched a comprehensive investigation into higher education by the National Commission on Higher Education (NCHE). The Commission’s final report formed the foundation for subsequent policy papers and new legislation on higher education. However, the implementation of the new policies has been hampered by a lack of capacity at both national and institutional levels, and the incoherence, ineffectiveness and inefficiency of the higher education system have become increasingly worse. In addition, it was quite clear that the government would have fewer funds available for higher education, continuing a trend that already started in the late 1980s, and that was aggravated by huge backlogs in primary education.

One consequence of the policy implementation vacuum was that to a considerable extent the initiative passed to individual institutions. Their responses to policy imperatives depended largely on their size, location, institutional robustness and financial resources. Gultig (2000, pp. 49-51) describes the “new divisions” in South African universities as follows:

- **Tier 1**: the African “metropolitan” universities. Some institutions, notably the large, metropolitan, historically white universities such as the Universities of Cape Town, Witwatersrand, Stellenbosch and Pretoria, had sufficient student numbers, academic staff capacity and financial resources to endure the period of stress without any serious threat to their functioning as quality universities. Although there have been accusations of, for example, elitism, failure to transform or address equity, community and development issues, and significant staff layoffs at several of these universities, to a large extent they could continue along their traditional paths.

- **Tier 2**: The “entrepreneurial” university, including many of the historically Afrikaans universities and some of the historically black universities, is increasingly characterised by a stronger commitment to occupationally relevant programmes and applied research.

- **Tier 3**: The disintegration of historically black institutions. Some institutions suffered a serious drop in student numbers and a rapid deterioration of finances. The latter was true particularly at some historically black universities. Students, “voting with their feet”, flowed in large numbers to historically white universities. At a few historically black universities the extent of the calamity was almost fatal, exacerbated by severe problems relating to management capacity. In some cases this has lead to the Minister of Education effectively having to take administrative control of these institutions to prevent their total collapse.

The University of the Free State (UFS – previously University of the Orange Free State UOFS) belongs to the second group. It is a mid-size university with approximately 10 000 students, in a small city by both South African and world standards.
standards, and situated in a predominantly farming and rural part of the country. While it is a comprehensive teaching, research and postgraduate university, its size, location and particular history have made it more vulnerable to financial pressures, competition from large metropolitan universities (through distance education programmes), private providers and foreign universities, and the need for "transformation" than its large counterparts in Tier 1.

The response of Free State University to these challenges has unfolded over the last decade. Following initial efforts to secure financial viability through staff cutbacks, the era after 1994 was dominated by the challenge of transformation, initially brought about by a sharp increase of black students from cultural, language, academic and financial backgrounds very different from the then dominant student body and faculty. The transformation agenda extended to issues of language, access, equity, governance and social interaction. The University has had many successes in this regard, especially since 1997, and is regarded as a leader in transformation amongst historically white universities. Today its student population is roughly 50% black and 50% white.

In 1999 institutional attention shifted to the financial and competitive pressures in an era of globalisation and the need to break free of the stranglehold of continual cutbacks in government funding rates. The University formally decided to enter an entrepreneurial phase in early 1999. In late 1999 this was cast in the form of an official turning strategy, with as main objective a decisive turnaround in the university's management culture, academic programs and financial position within three years.

The design and implementation of the entrepreneurial phase, given a time of social and political transformation in a middle-income developing country with significant development backlogs, is proving to be more complicated than anticipated. The issues that have come to the fore appear to derive from (perceptions or realities of) fundamental contra-positionings and potential tensions between three main imperatives:

- The entrepreneurial imperative.
- The "core functions imperative" (relating to the intrinsic nature of the university and scientific endeavour as well as the role of scholarship and academic depth and quality).
- The transformation imperative (relating to cultural, racial, language, equity, access, governance, social and political dimensions).

These tensions and polarities are the focus of this article. Section 2 below briefly describes the wider context of higher education in South Africa, whilst Section 3 describes the transformation at the University of the Free State, pointing out certain implications for these imperatives. Section 4 outlines the entrepreneurial initiatives of the University. Section 5 then analyses the tensions between
the different imperatives and the way these tensions are manifested and the challenges flowing from the tensions, also noting some provisional responses of the University. The analysis reveals that the adoption of an entrepreneurial approach encounters a number of additional challenges if it is done in a transforming institution and country.

THE NATIONAL CONTEXT OF POST-APARTHEID HIGHER EDUCATION IN SOUTH AFRICA

Higher education world-wide is being pressurised and shaped by a network of complex, competing and often contradictory forces. The picture at South African universities is even more complicated, mainly due the fact that South African society is extraordinary complex. The diversity of its population, the polarisation created by apartheid, and the poverty and development backlogs typical of developing societies, present exceptional challenges to many social institutions and processes, including higher education. As a result, reactions to these forces may differ from those in other countries. The most important features of the national higher education landscape in South Africa are the following.

Participation and access

During the early nineties expectations of a “mushrooming demand” for admission to higher education were common. Studies projected a three- to four-fold increase in the number of Black school-leavers by the turn of the century, with obvious implications for entries into universities. The National Commission on Higher Education (NCHE, 1996, p. 63), for example, forecast that the number of pupils with matriculation exemption (university admission) would increase from 88 498 in 1994 to 130 000 in 1998. In reality, the number of school-leavers obtaining full matriculation exemption has declined dramatically to only 69 000 in 1998. The expected massification simply didn’t occur (yet), contrary to international trends.

Many universities have not been able to meet their admission targets for new undergraduates, also resulting in a significant drop in state subsidy (which is based *inter alia*, on enrolment). However, in spite of the drop in higher education enrolments, the “democratisation” of higher education as a whole has been progressing well. Black student enrolments in universities and technikons show an increase of 74% between 1993 and 1999 (whereas white student enrolments fell by 27%). The marked changes in the proportions of Black students in the higher education system are signs of improvements in equity, with the system beginning to become more representative of South African society.
Responsiveness

The so-called “lack of relevance” of higher education curricula and qualifications for the socio-economic and labour market needs of a developing country entering the global village such as South Africa, has consistently been criticised in reports and policy documents on higher education. According to the Council on Higher Education (1999, p. v) “there is a need to establish the diverse knowledge needs of South Africa, the nature and level of the knowledge and cognitive skills that are relevant for different occupational or professional categories, restructure the curriculum and raise quality across the board”.

Universities in South Africa have been responding to these changing demands in two ways. First, in line with developments internationally there has been a marked shift from emphasis on teaching to more attention to student learning. The National Qualifications Framework emphasises the development of skills and competencies, as well as the assessment of discernible outcomes. This has moved the focus away from the teacher to the learner, with the aim of more active learning (with the teacher in the role of a facilitator).

Secondly, the programme-based approach to higher education – as advocated in the various national policy documents – has led to major changes in the way universities are approaching their core function of teaching. The organisation of higher education curricula into programmes of study has been established as a basic principle for the reconstruction of higher education. Flexible and appropriate programmes which cut across the traditional academic disciplines (interdisciplinary programmes), and across the traditional divide of education and training (knowledge and skills) are being planned and developed. Qualifications need to be registered on the NQF and in order to receive accreditation by the South African Qualifications Authority (SAQA) and eventually earn subsidy, programmes must comply with a variety of prerequisites. A major effort has therefore been expended by universities on the conceptualising, planning and implementing of programmes.

As far as research is concerned, universities are also faced with a new set of criteria. More emphasis is now being placed by the National Research Foundation (the main funding body for research in the natural, human and social sciences) on development and capacity-building through research. This can be effected, inter alia, by team research projects in which historically advantaged and historically disadvantaged institutions collaborate, the training of research interns from historically disadvantaged population groups and gender, and the preference given to social-relevant, applied and developmental research (NRF, 2000).

Governance

The notion of co-operative governance was used as the point of departure for the policy proposals for national and institutional governance of the new
higher education system. Six key prerequisites for co-operative governance were identified:

- Greater participation by the majority and increased representivity for previously disadvantaged constituencies.
- The establishment of representative and effective structures at national, regional and institutional levels.
- A clear distinction between political and administrative power, and the distribution of advisory, policy-making, implementation and monitoring functions.
- Transparency, particularly through the form, control and accessibility of information.
- Building the capacity of legitimate stakeholders to participate.
- Defining academic freedom, autonomy and accountability more precisely (NCHE TGG, 1996, pp. 13-17).

To satisfy the requirements of co-operative governance, new decision-making structures have been created in many institutions. Examples of these are transformation forums, institutional forums, and broader and more inclusive councils, senates and executive management bodies, committee systems, etc. How effective these structures and processes are, however, still remains to be seen. In many institutions governance and management are crisis areas, particularly because of a lack of capacity amongst many of the new members of more inclusive structures. The “size and shape” task team of the Council on Higher Education (CHE, 2000, p. 14) expressed its concern with regard to the fragile governance capacity at many institutions: “Co-operative governance has been severely tested at many institutions, where ‘agreement in principle’ has not always translated into ‘unity in practice’. Competing and sometimes irreconcilable claims and interests have led to institutional paralysis and/or loss of coherence and direction at various institutions.”

These issues have important implications for approaches to accountability. In South Africa the demands on higher education to be responsive, to play a developmental role and to be publicly accountable, are growing. Not only is the demand for accountability necessary and legitimate in the light of the allocation of scarce public resources to higher education, but it is also a symptom of the lack of trust in higher education by the government and the public. The continued malfunctioning of the higher education system and an increased emphasis on accountability has led to proposals on the restructuring of the size and shape of the higher education system by a task team of the Council on Higher Education. The task team proposals are indicative of an era of greater government steering of a system struggling to balance equity and excellence imperatives.
Funding

Government subsidies contribute on average about 50% of the income of universities and technikons in South Africa. "The balance of the income is derived from student tuition fees (23%) and other sources of income (25%) which include donations and gifts, research contracts and income from investments" (CHE, 1999a, p. 31). All of these sources of income have been declining over the past few years, some dramatically and other more slowly.

Student tuition fees are no longer a steady source of income. At the end of 1999 students owed the country’s 21 universities a total of ZAR 660.5 million in fees. Although historically black universities were hardest hit by these student debts (University of the North = ZAR 113.9 million, Medunsa = ZAR 70.3 million, University of Zululand = ZAR 68.3 million), even historically advantaged universities like the University of Cape Town, the University of the Witwatersrand and the University of Pretoria had student debts in excess of ZAR 20 million (The Star, 21 March 2000).

Taking into account massive student debts, rising costs (particularly increasing staff remuneration following on labour and equity legislation), shrinking state subsidies (which in 2000 was at only about 75% of the 1985 subsidy rate, even though the nominal amount increased), declining student numbers, increased competition from private providers of higher education, and a stagnant economy, South African universities are battling to survive. Not only are some institutions facing such severe financial difficulties that they are on the brink of collapse, but because of decreased enrolments, the higher education system itself could lose over ZAR 300 million in government funding between 1999 and 2002 (CHE, 1999b, p. vi).

TRANSFORMATION AT THE UNIVERSITY OF THE FREE STATE: ACHIEVEMENTS AND POLARITIES

Founded in 1904, the University of the Free State (UFS) is the flagship university in the central, rural part of the country, whose traditional student body has in the past been composed mainly of conservative Afrikaans-speaking young people, a large proportion of whom came from the Free State farming community. In spite of its conservative image, the UFS was one of the first Afrikaans universities to open its doors to black students. Today it is a leader in transformation.

The key elements of this transformation are described and analysed below, simultaneously pointing out some of the polarities and tensions that arise along the way, particularly with regard to the core or “heartland” functions and university finances.
Participation and access

With a student enrolment of just over 10,000, the UFS is one of the medium-sized universities in South Africa. Its uniqueness lies in the fact that it has formally declared itself to be a multicultural institution, having succeeded in transforming, with relatively few problems, the student body from an overwhelmingly white Afrikaans-speaking one to one with almost equal numbers of white and black and English and Afrikaans-speaking students.

These dramatic changes took place over a relatively short period of time and are illustrated by the following statistics. In 1994, the year of the first democratic elections in South Africa, the UFS had a total of 9,186 students consisting of 1,362 black (including Coloured and Asian) students (14.8%) and 7,824 white students (85.2%). By 1999 the composition of the student population has changed dramatically to 47% black and 53% white (out of a total of 10,373 students). Projecting trends envisage that the participation rate of black and white students will reach a ratio of 64% blacks and 36% whites by the year 2001 (UOFS, 1999).

Some polarity implications

The dramatic and rapid changes in the student composition have led to a number of changes in the university. One important development was the adoption of an official institutional policy of parallel-medium instruction (Afrikaans and English) in 1996. This has been a most significant factor in dramatically increasing the access (and success) rates of Black students to the university, as evidenced in the enrolment figures.

However, the implication is a large degree of duplication: all courses in all programmes are presented in both Afrikaans and English in separate classes. This has had tremendous impact on teaching-related time, with a resultant negative impact on research, especially in the natural sciences.

It also has been a significant cost factor, and will increasingly be such a factor, especially as multilingualism is implemented in institutional administration and management. In this regard Free State University as a progressive Afrikaans university has had to shoulder a much larger financial and academic burden than traditional white English-medium universities, where there has been almost no political or social pressure to serve other language communities.

Because of the fact that many of the “new” students are first generation university students, and often come from deprived socio-economic and educational circumstances, they find it difficult to cope with the demands of the university. Academic (and other) staff therefore increasingly have to play the role of counselors in terms of both personal and academic problems that students have to contend with. This has resulted in significant progress in increasing the pass rate
of Black students in particular. However, since much more time is spent on student support and “after-care”, it leaves less time and creative energy for research. In this way the university has had to bear much of the cost of reversing the legacy of the inferior Bantu education system and limited academic skills.

Responsiveness

In response to the new policy focus on outcomes-based education and a programme-based approach, the UFS has engaged in a massive endeavour with regard to programme planning and development. An important point of departure in this endeavour was that the success of the process hinged on the participation of academic faculty. A number of other points of departure also informed the process:

- The programme approach would substitute the departmental approach as far as curriculum design is concerned, and the focus would be on programmes and client needs and not on academic departments or disciplines.
- Programme planning would be seen as an important contribution towards the more strategic positioning of the institution.
- A mind shift amongst academics would be required to effect programme planning, design and development across disciplinary, departmental and even Faculty borders.
- A support structure would have to be in place to assist academics and build their capacity with regard to programme planning and development (Steyn, 1999).

Some polarity implications

The entrepreneurial dimension was not really present in initial thinking on programme planning and design in the Faculties (with some exceptions). However, when the entrepreneurial approach was adopted by the university in 1999, it introduced a new significance to programme development. Programme directors and university management suddenly had to consider income-generation as a key requirement in programme design and evaluation, in addition to discipline-related, academic and curricular considerations. This injected an almost foreign element into faculty thinking, and has caused much stress. On the other hand the process also unleashed much creativity.

Governance

The notion of co-operative governance as proclaimed in national policy documents has been adopted by the UFS, though not without problems. Power-sharing with student groupings as well as representatives of other stakeholder groupings.
has caused some tension with the traditional values of academic freedom and institutional autonomy which have been very strong in historically white universities such as the UFS.

In addition to co-operative governance, the decentralisation of management and decision-making has led to the devolution of various responsibilities to Faculty or Departmental level (e.g. budgets). The decentralisation of decision-making through a system of portfolio committees and sub-committees of which membership is based not necessarily on positional power, but on expertise, has resulted in a much broader spectrum of staff being involved in policy planning and formulation activities than before.

A governance response to the tension between programmes and disciplines

The programme approach has introduced tensions between programme interests and discipline or departmental interests. Whereas departmental heads are still in place, programme directors are responsible for the planning, development, marketing and implementation of learning programmes. As staff members from different departments/disciplines participate in one programme, this implies that programme directors have some jurisdiction over staff who otherwise report to different departmental heads. Departmental heads must now focus much more on nurturing and managing their disciplines, in addition to staff, administrative and financial matters.

In effect this has led to the development of a matrix management structure in Faculties. Although still embryonic and greeted with much scepticism by department heads initially, the matrix structure has shown that it can serve to balance the different concerns, although it does create a relatively complex management process. Only time will tell whether the matrix structure can manage this polarity effectively. Changing attitudes and paradigms and managing interpersonal relations may be the key to success in this area.

Funding

Several factors with regard to funding and finance have serious implications for activities at universities, particularly for medium-sized, small city universities such as the UFS.

First, as mentioned above, South African universities have seen a constant decline in government subsidy rates since 1984 when the present subsidy formula was put into place. By 2000 this has amounted to a net subsidy loss of about ZAR 60 million per annum for the UFS – approximately 20% of its operating budget. A second problem relates to the fact that increasing numbers of students come from economically deprived backgrounds and are not in a position to pay their tuition fees in full. Thirdly, being situated in a rural area which lacks the
industrial development and big business of, for example, the Witwatersrand, Western Cape and Durban areas, the UFS is finding it difficult to attract large donations or well-funded research partnerships with industrial concerns. Fourthly, a medium-sized university like the UFS that does not have the economies of scale of larger institutions, and has to draw its student body from a shrinking pool of school-leavers, is therefore under severe financial pressure.

Some polarity implications

As noted in the discussion of access above, disadvantaged educational backgrounds also imply a greater risk of failure, i.e. lower success rates. This has crucial financial implications, since reduced pass rates would directly impact negatively on state subsidy. The much higher need for student support – mentoring, tutoring, extra classes, academic skills transfer, and so forth – also has significant financial implications. The transformation context thus constitutes a significant cost factor.

ESSENTIALS OF THE UFS ENTREPRENEURIAL APPROACH

The above description of the national and institutional context in which the UFS is operating provides ample evidence of Burton Clark’s seminal assertion: Demands on universities outrun their capacity to respond (Clark, 1998, p. 129). South African universities have to respond to the transformation demands of equity, redress, democracy and development, while at the same time contending with financial challenges. The latter challenges emanate to some extent from the financial difficulties that institutions are experiencing, but can also be related to an increased emphasis on accountability, market-driven needs and the impact of globalisation and internationalisation.

When adopting an entrepreneurial approach that would involve all aspects and levels of the institution at the beginning of 1999 the UFS took as an important point of departure that initiatives should revolve around the core business of the institution, i.e. teaching/learning, research and community service. In addition, third-stream income elements were targeted. A two-pronged approach was decided upon increasing income through new income-generation initiatives and cutting costs mainly through a decrease in the support staff complement. The two processes would run simultaneously.

Action groups, with expertise in a particular area, were composed to prepare implementation plans for various initiatives. Examples of briefs include:

- Establishing an entrepreneurial culture throughout the institution.
- Optimising the “product mix” and strategic focus of learning programmes.
- Fine-tuning criteria for programme evaluation (including cost-effectiveness).
- Developing open and distance learning.
Developing adult and lifelong learning.
• Increasing income from academic business units.
• Increasing asset development income.
• Increasing fundraising income.

It is clear that the entrepreneurial approach and “turning strategy” does not focus only on third-stream income, but rather on revitalising the core and heartland. The core business of teaching and learning is central to the entire entrepreneurial approach of the UFS. Not only is the institution exploring ways of attracting larger numbers of non-traditional learners through, for example, distance learning and adult education, but it engaged in a massive effort at designing innovative new programmes catering to a larger extent for the needs of the market (students and employers).

The focus on the core was a conscious decision based on the following considerations. First, third stream possibilities are limited in the non-metropolitan and non-industrial area of the Free State. Secondly, the private sector management principle of sticking to your core business and competencies in revitalising an organisation, was taken seriously. Thirdly, management consciously wanted to strengthen the academic base, revitalise the academic heartland and focus energy and creativity in the core business of scientific endeavour. Therefore third stream possibilities based on academic competencies, i.e. academic business units (e.g. contract research units), are a high priority. Obviously non-academic third-stream initiatives are enthusiastically supported as well.

Some polarity implications

Exactly because the entrepreneurial approach is focused in the core business, the potential polarity between the heartland imperative and the entrepreneurial imperative is so pressing. This is discussed next, also taking the presence of the transformation imperative into account.

ENTREPRENEURSHIP AND THE ACADEMIC HEARTLAND – TENSIONS AND COMPLEXITIES IN A TRANSFORMING SOCIETY

The issues that have come to the fore appear to derive from (perceptions or realities of) fundamental contra-positionings and potential tensions between three main imperatives:

• The entrepreneurial imperative.
• The core functions or “heartland” imperative (relating to the intrinsic nature of the university as well as the role of scholarship and academic quality).
• The transformation imperative (relating to cultural, racial, language, equity, social and political dimensions) (Figure 1).

Figure 1. Primary polarities and secondary tensions

Source: Authors.

The potential for tension between the “heartland” imperative and the entrepreneurial imperative is well-known. According to Clark (1998, p. 7) a university’s heartland continues to be the place where most academic work is done and “is still found in the traditional academic departments formed around disciplines, new and old, and some interdisciplinary fields of study”. The basic units where teaching and research are done are the critical sites where change and transformation are most likely to flounder, for if they oppose or ignore planned innovations, very little will change in the life of the institution. Because traditional academic values are most firmly rooted in the academic heartland, a modified belief system in departments and faculties is required for entrepreneurial values and practices to take root. An entrepreneurial approach implies that every department, every research unit, should adopt an entrepreneurial focus, “reaching more strongly to the outside with new programs and relationships and promoting third-stream income” (Clark, 1998, p. 7).
Given this imperative, there are growing tensions between the needs of the institution adopting an entrepreneurial approach and what the traditional or classic-form organisational structure can deliver. Edwards (1999, p. 2) notes three tensions in particular:

1. “Most importantly, the intellectual work of the faculty corresponds increasingly poorly with the separate knowledge terrains demarcated by disciplinary boundaries.

2. A second tension occurs when the university's growing need for efficient internal operations collides with the intrinsically ineffective administrative design that characterises departments formed around disciplines. Organising for efficiency runs counter to several features common to departments, especially their disparate sizes, their relative permanence, and their comparatively untrained administrators.

3. A third source of tension is the growing disparity between the institution's interest in being responsive, focused, innovative, and entrepreneurial and the department's traditional academic culture. Faculty members hold to their departments as the most congenial arena for their traditional understandings of what is important in academic work and for the power of enduring disciplinary affiliation that is independent of the institution.”

Essentially both Clark and Edwards consider only one contra-positioned pair, i.e. the entrepreneurial and heartland polarity (Polarity 1). In the South African and Free State University context, this polarity presents itself as a tension between an entrepreneurial approach and the intrinsic nature of a university (or, at least, the traditional mindset of typical academic faculty); alternatively, as a perceived tension between an entrepreneurial “business” approach and the status of Free State University as a comprehensive teaching, research and postgraduate institution (a “quality” status which is crucial from a marketing and income-generation point of view).

However, in analysing this polarity it has become clear that it is compounded by the presence of a third force, the transformation imperative. The presence of this third imperative introduces two additional polarities, summarised as follows:

Polarity 2: The heartland and transformation polarity: There is intrinsic tension in running a more or less traditional or classical “Western” university (entrepreneurial or otherwise) in a transforming and developing (Southern) African society with extraordinary community needs and concerns at this point in its history – including growing demands for the affordability and “relevance” of university qualifications, with regard to both social issues and the workplace. Put differently, the problem of the equity/excellence balance or trade-off is particularly acute in a transforming society.

Polarity 3: The entrepreneurial and transformation polarity: A possible tension between, on the one hand, an entrepreneurial approach and business or quasi-“capitalist”
criteria and, on the other hand, community demands for university support of social upliftment and development initiatives, social capacity building and equity.

These three bi-polar relationships also interact with one another, causing an additional layer of complexity and simultaneity. In the diagram above this is indicated by the broken-line arrows.

These potential tensions manifest themselves in number of areas. A number of these have been pointed out in the preceding section. Added to the above concerns of Edwards, a number of other tensions arising from the entrepreneurial approach, are becoming evident at the UFS. Suffice to highlight the following:

The relationship between the programme approach and core disciplines. To what extent is the programme approach endangering the survival and development of traditional core disciplines? In South African higher education, the notion of academic programmes has been interpreted as follows: "the sequential learning activities leading to the award of particular qualifications can be called programmes. These are almost invariably trans-, inter- or multidisciplinary, and can be transinstitutional as well..." (Gevers, in CHET, 1998, p. 4). Most new programmes are therefore focused much more on interdisciplinary studies, than on the advancement of traditional core disciplines. Gillard (1998, p. 10) believes that "a way has to be found to preserve disciplinary strengths within programmatic format". This imperative is even stronger if programmes have to be entrepreneurial and generate revenue for the university.

A critical response to this may be in the area of postgraduate study, which is less likely to be distorted by "practical" concerns. In addition, the proper role of basic sciences in undergraduate curricula must be reconsidered: if a science is a basic or foundational science, it should accordingly play a basic and foundational role in any curriculum or learning programme. This is not so much for the sake of the sciences or the academic community: the intellectually formative role of "first principles", critical discourse and analytical inquiry, which is in the lifelong interest of the student and future leader, needs to be unlocked and given the necessary space in university learning. To encourage this, the university has identified the basic science content in curricula as an element in internal resource allocation formulae. In new programme design this is also noted as a crucial element.

The relationships between entrepreneurial initiatives and concerns regarding the future of arts and human sciences such as languages, philosophy, history and fine arts. These relationships are a particular cause for concern with the increasing (and probably excessive) emphasis on science and technology, as well as the emphasis on "ready relevance" or usefulness for particular jobs or professions. Other institutions are struggling with similar concerns; at the University of Natal the academic departments that were most affected by rationalising included fine arts, classics, history, drama, German and Afrikaans (Mail and Guardian, 19 May 2000).
It is ironic and even tragic that the humanities and social sciences tend to be downplayed at this stage in South Africa, a developing country which is undergoing a dramatic social, economic and political transformation. So many of the problems of such a transformation – in the workplace, in government institutions, in social institutions, in civil society – relate to a lack of proper understanding of the social and human dynamics of social institutions and interaction. However, given that market demands in these areas are shrinking, a university can be under severe pressure to cut back on faculty in the humanities. This can severely undermine the foundations of the academic heartland over time.

This relates to the following question, i.e. what kind of student will the new programme approach produce? To what extent will the increased focus on developing generic and job-related skills, occupational training, and a utilitarian approach contribute to forming well-balanced citizens of a young democracy? While South African school-leavers may have their own clear perceptions of their education and training needs, there is a danger of a strong information asymmetry regarding their immediate as against their longer term intellectual and competence needs.

The relationship between educational (curricular) as against financial considerations in new initiatives such as programme planning. Some programme planners tend to emphasise cost-effectiveness and financial viability of programmes at the expense of academic considerations. If this becomes a dominant trend it does not bode well for the future of the university education in South Africa.

The simultaneous “transformation demand” to help reverse the legacy of inferior black schools, provide basic life skills to relatively unprepared students, provide basic academic skills, provide occupational skills of immediate use, and address knowledge needs relating to development backlogs in poor communities, creates a daunting challenge. This challenge can also be seen in the relationship between financial survival in the midst of competitive pressures and the need for investment in capacity building in black academic staff (affirmative action and employment equity). Similarly there is the complicated relationship between income-generation from paying students and the presence of a large number of underprivileged, poor students with insufficient financial aid options.

The relationship between the pursuit of academic interests and income-generation activities. In practice this becomes visible in the relationship between heads of department and learning programme directors (see above). To compound matters further, this balance has to be struck in an environment of extraordinary demands emanating from the transformation imperative.

The full weight of these multiple polarities converges on academic faculty. They have to adopt an entrepreneurial approach to their endeavours, while intrinsically being true academics, non-entrepreneurial and with limited business and
financial skills. At the same time they have to cope with demands made on them by a rapidly transforming student body as well as the transformation imperatives deriving from national level.

The combined stress flowing from this situation is formidable. Many academics are already suffering from “change overload” or “transformation fatigue”, and it seems as if there is a limit to the change that an institution can cope with. This may significantly delay and hinder the onset of a real entrepreneurial culture at faculty level. In addition, it may impact on core functions – unfortunately experience has shown that one of the fundamental tasks of a university, i.e. knowledge generation through research, is often the first one to suffer when additional demands are made on academics.

The relationship between the academic skills of the typical faculty member and the need for entrepreneurial skills, as highlighted by Edwards above. Almost by definition a person electing to pursue an academic career is not very entrepreneurial, at least in the conventional or business sense of looking for opportunities to design and sell a marketable “product”. The innovativeness of the typical career academic extends mostly to the production of novel research results. (At Free State University, given its non-industrial setting, there still is a limited tradition of industry partnerships and patent development.)

Managerial conflicts emanating from the different polarities. First, how should the traditional collegial and co-operative governance models be adapted to cater for an entrepreneurial approach? Is managerialism the only answer? How can the programme and departmental management structures be reconciled? Where does the ownership of programmes lie? At the UFS the provisional answer was to move towards a matrix management model. As noted above, this has the promise of providing a framework for achieving the necessary balance between these competing concerns. However, its success will depend on the ability to change the paradigms and belief systems of faculty. Given the additional stress of transformation demands, this change is likely to be quite difficult.

Secondly, the problematic relationship between the need for professional management of the entrepreneurial university and the need for the transformation of management and governance structures by increasing the number of people from disadvantaged backgrounds (affirmative action and employment equity). The dearth of professional university management skills especially at the historically black universities, noted above, may be an indication of a looming problem in this regard.

CONCLUSION

Being and remaining a good classical university always is a challenge, especially in an era of globalisation, internationalisation and the knowledge society.
Changing such a university to being a good entrepreneurial university whilst preserving and stimulating the academic heartland, is a greater challenge. To do all of this in a middle-income, transforming, developing country which directs various transformation demands towards a mid-size non-metropolitan university facing severe competition from national and international competitors, poses almost unimaginable challenges to the University of the Free State.

A first step in taking up this challenge, is for university management to have a solid analytical grasp of the polarities, tensions and forces shaping the behaviour of managers, faculty and students. The analysis presented above is a first step to identify, analyse, scrutinise and dissect these polarities.
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Implementation of a Joint Web Service for the Finnish Open Universities

Terttu Kortelainen and Päivi Rasinkangas
University of Oulu, Finland

ABSTRACT

In January 1998, the 19 Finnish open universities launched a joint web-based service for their students and staff. It was to serve both as an information and counselling channel for the students and as a tool of local and national collaboration for the Open University staff. The core of the service is a database of all courses available in the Finnish open universities, but the service also includes student guidance pages, current information, presentation of the service itself, information and a possibility for feedback. The system can be used as a tool of educational information management and course planning. Its major effects have been a rationalisation and decrease of course planning work and notable enhancement of the national visibility of the courses. The experiences of the service are positive, although it has been exploited at varying rates by the different units. This paper describes the experiences gained in the course of diffusion and implementation of this innovation in the Finnish open universities.

INTRODUCTION

The Finnish Open Universities (later: FOU) aim to provide education at a reasonable cost to anyone, independent of time, location or economic status. The FOUs operate in connection with the Finnish universities and Finnish summer universities. They are, however, independent units with no official national central planning, service or administration. FOUs provide courses on a large variety of topics and also a gateway to academic studies for those who have successfully attained a certain number of credits in certain major subjects. They typically have flexible curricula with annual modifications, a small number of permanent personnel and a large number of temporary teaching staff only engaged for specific courses.
Despite the separateness and independence of the FOUs, a joint web-based information system seemed to be a good alternative for them. Many units are relatively small and not at a reachable distance to a great number of students. The numerous distant students actually need a web service, but due to the small size of many of the FOUs, the founding of such a service on their own would be a major effort, especially with the scarce personnel resources. The advantage of a joint solution was that it would provide the same level of service to all, independent of their resources. This paper presents experiences of the adopters of the new service, its perceived characteristics, the change agent's role in its diffusion, and how the SUVI service meets the targets set to it.

SUVI service and its targets

The joint web service of the FOUs is called SUVI, which is an acronym of the Finnish name Suomen virtuaalinen avoin yliopisto (Finnish virtual Open University). The objective of the SUVI service is to act as a tool of educational management, individual student counselling and communication of the education provided by all the Finnish open universities. It aims to provide users access to the course information of the FOUs located in any part of the country, and thus to give a complete picture of the education available. Another important target is to enable the visibility of a course in its planning phase and to reduce the amount of paper work.

The SUVI project was launched and funded by the Finnish Ministry of Education in 1997. In the planning phase, all the open universities were invited to participate. The project was administered by the SUVI team with representatives from five units: the open universities of Helsinki, Turku, Tampere, Oulu, and the Helsinki Technical University (Tuomela, 1999).

The web service SUVI was launched in January 1998. It consists of two parts: public pages dealing with the open universities’ courses (English version in Figure 1) and intranet pages meant only for the FOU staff (Figure 2). The public pages consist of seven parts (Figure 1):

1. **Course database** includes the full educational supply of the FOUs. Education can be searched by subject, region, language and university as well as by the forms of education (network, individual, and TV courses). Courses can also be searched by free text, and introductions for the search are provided.
2. **Student guidance** includes information about studying practices and skills. It also provides individual student counselling and an introduction to the vocabulary of the FOUs.
3. **Current** includes information about registration deadlines, ways to register, events, and public lectures (this is not included in the English version of the page).
4. Presentation gives basic information of the FOUs, such as their operating principles, history, system and statistics. It also describes generally their education, students and partners.

5. Information supplies include an introduction to library use and information seeking. There are also links to the collections of Finnish academic and public libraries, databases and virtual libraries (this is not included in the English version of the page).

6. About this site instructs how to use the pages, includes the contents of the SUVI service and offers a possibility for questions about its maintenance.

7. Feedback offers a form through which users can give their opinion about the SUVI pages.

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The purpose of the intranet pages for the FOU personnel is to serve as a communication and information channel, which enables the staff to discuss, report and announce current issues. At the time of this study, they were only published in Finnish and included (Figure 2):

1. **Personal search (henkilöhaku)** of the staff by name, university or commission. A free text search is also possible.
2. **MinEdu** (OPM) includes a manual of the FOUs, their principles, history, system, teaching and students as well as instructions for reporting.
3. At the **inform!** (Tiedota!) pages, FOUs tell about their own activities.
4. **Discussion (Keskustelut)** includes a public discussion channel and another channel specifically for student counsellors.
5. **Updaters** (Päivittäjät) gives instructions on how to update the database and an access to the maintenance of the system.

**Figure 2. The Intranet home page for the FOU staff**

(www.avoin.net/AvoinNet/avoinnet.nsf)
6. **Statistics (Tilastoa)** indicate what the users of the service have searched and which courses have been most popular and provides information about the use of the whole SUVI system.

7. **SUVI service (Suvi-palvelu)** includes information of the service and relevant research.

8. **Use of Avoin.net (Avoin netin käyttö)** contains information about the use of this service.

9. **Archives and links (Arkisto ja linkit)** include links to previous documents and announcements and links to information concerning education, economics and conferences.

10. **Notice board (Ilmoitustaulu)** contains announcements concerning the FOU staff.

The SUVI service was not launched into a vacuum. Most FOUs had already solved their information management in one way or another. Some of them had information systems of their own or as part of the local university. This had a special influence on the reception of the new web service, which will be described below.

### Factors affecting the adoption of an innovation

The SUVI service can be regarded as an innovation, which, according to Rogers (1995) is an item, idea or practice perceived as new by a potential adopter. Innovations are often new technological products. However, new managerial practices, which SUVI represents, can also be regarded as innovations (Harisalo, 1984).

Diffusion researchers have noted that there are several factors that influence the reception of an innovation. Some of them are connected with the attributes of the innovation itself, some with those of the adopters or the information channels through which the information of the innovation is diffused. The change agent who promotes the innovation, also affects the adoption rate. The attributes of the innovation that have been considered most influential in the adoption process are the relative advantage, compatibility, observability, lack of complexity and trialability of the innovation (Rogers, 1995). Trialability is only relevant in the case of innovations requiring notable investments from their adopters, and hence not in the case of Suvi, which was funded by the Ministry of Education. Trialability will therefore be excluded from the following examination. Instead, the other attributes of innovation also seem relevant in the case of a web system introduced by a partner that, in a sense, partly also represents a higher actor in the hierarchy.

The **relative advantage** of an innovation is defined as the degree to which the innovation is perceived as better than the idea it supersedes. **Compatibility** is the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters. **Complexity** is the degree to which an innovation is perceived as relatively difficult to understand and use.
Observability is defined as the degree to which the results of an innovation are visible to others. The complexity of an innovation, as perceived by the potential adopter, is negatively related to its rate of adoption, whereas the perceived relative advantage, compatibility and observability of an innovation are positively related to its rate of adoption (Rogers, 1995).

A change agent is an individual who orients clients’ innovation decisions in a direction deemed desirable by the change agency. The several roles and tasks of the change agent include the aims to establish an information exchange relationship, to create an intent to change the client and to stabilise adoption. The change agent’s relative success in securing the adoption of innovations by clients is positively related to the extent of their effort in contacting clients and to the degree to which the diffusion program is compatible with the clients’ needs (Rogers, 1995).

The diffusion of an innovation can proceed via several patterns, such as centralised or decentralised ones. In a centralised diffusion systems, the overall control of diffusion decisions, such as which innovations to diffuse, which channels to use, and to whom to diffuse innovations, is held by technically expert officials close to the top of the diffusion system. Diffusion flows top-down from experts to users. In contrast, decentralised diffusion is client-controlled, with widely shared power and control among the members of the diffusion system. Compared to centralised systems, innovations diffused by decentralised systems are likely to fit more closely to the users’ needs and problems. User motivations to seek innovations mainly drive a decentralised diffusion process. However, a decentralised diffusion process also has disadvantages. Technical expertise is difficult to bring to bear on decisions concerning which innovations to diffuse and to adopt, and it is possible for ineffective innovations to diffuse through a decentralised system because of the lack of quality control. Hence, when a diffusion system is disseminating innovations that involve a high level of technical expertise, a decentralised diffusion system may be less appropriate than a more centralised one. In addition to this, completely decentralised diffusion systems may suffer from the fact that local users, who control the system, may lack adequate knowledge about the available innovations that could be used to solve their problems (Rogers, 1995). The connection between these factors and the diffusion of the SUVI service will be described in the following sections.

METHOD AND RESEARCH CORPUS

The implementation rate and the usability of SUVI, as perceived by the personnel of the FOUs, was studied through thematic interviews, which suit well a study focusing on the interviewees’ viewpoint, experiences and knowledge about the issue. Fourteen personal interviews were conducted in six open universities. The interviewees were officials who had been actively using the SUVI service. The
aim was to gain information on how SUVI had been utilised, how it could be utilised even more effectively as a tool, and what problems had arisen. The interviews were made in February 1999, and they were tape-recorded and transcribed.

On the basis of the results of the thematic interviews, a questionnaire was constructed in September 1999 to collect material for comparison with the response to the thematic interviews. The questionnaire was e-mailed to all SUVI contact persons of the FOUs. They were asked to estimate how the SUVI service was being used in their units. The questionnaire was also sent to the regional FOU personnel in different areas, but not to the units where the interviews had been made. Only 36% (22/61) of the employees who received the questionnaire returned it. However, if we look at the figures at the organisational level, we can see that the information was received quite broadly: 63% (20/32) of the FOU units returned the questionnaire.

RESULTS

Implementation of SUVI

The SUVI service was launched on the 21st January 1998. Some training for updating the educational database had already been arranged before that. In 1998 and afterwards, the implementation of SUVI proceeded at varying rates in the 19 open universities in Finland.

The FOUs can be divided into three categories according to the degree to which the service was exploited: some of them were constrained by their "scant resources for SUVI", which means that they mainly fulfilled the updating duties and used SUVI as a source of course information. On the other hand, some open universities made an effort to utilise the full diversity of the multidimensional service as a tool for educational management and as a tool of information storage and retrieval as well as for marketing. There is also a third group between these two extremes. These were cases where the SUVI service was used as a database for courses, updated by several employees, but not yet as a planning tool.

One reason for the concise implementation of the system was that systematic implementation was aimed at, and it was therefore not started while several other development projects were going on simultaneously with the SUVI project. Another reason was that the current modes of action were perceived as not only established, but also as optimal for the organisation, and people were not willing to throw themselves into something new. In addition to this, SUVI was initially merely a project of the Ministry of Education, and its future was unclear, which is why the concern about the possibilities to use it later was well-founded. Therefore, SUVI was only used for client service and student counselling and as a source of staff information, whereas it was not utilised to its full extent as a course design
The launching of SUVI, therefore, also mostly influenced the work of the updaters and remarkably less the organisation as a whole.

Nevertheless, one unit implemented SUVI to its full extent from the very beginning. After getting familiar with the system, the educational database was generally found to be an extremely useful tool, which also continued to be utilised actively. The database was updated constantly and the system was used in course planning. The course programmes were printed out directly from the database. Consequently, the SUVI service is perceived to save a notable amount of work in course planning. At any rate, even in this case, the early phase of implementation caused stress and contradiction among the employees, the task division of the staff was unclear, training in the use of the system was insufficient, and the new system caused extra work in the beginning. This, however, mostly concerned the introduction of the system.

**SUVI team as a change agent**

The diffusion of SUVI service can be considered centralised, which, according to the earlier diffusion literature (Rogers, 1995), is actually recommendable in the case of innovations involving new technology. Nevertheless, in the case of centralised diffusion, the adopters may not feel a need for an innovation promoted by government officials or other actors higher up in the hierarchy, in this case the Ministry of Education and the SUVI team. The role of the change agent in such cases is to influence the clients’ decision in a way that is desirable from the viewpoint of the change agency. The agent diagnoses problems, distributes information concerning the innovation, and tries to stabilise adoption and prevent discontinuation.

The SUVI team founded for the construction of the service can be regarded as a change agent. The team provided introduction to the use of the SUVI service. According to the informants, there was enough, if not even too much, information available. They also appreciated the fact that the technological staff had been enormously supportive during the implementation. The questions posed to the team, concerning such aspects as technology, were answered personally and quickly, so that work would not stop when problems were faced, which suggests that the change agent fulfilled its task in information provision and supporting the implementation. However, even when an innovation is available, it is not necessarily utilised to its full extent, for varying reasons.

**Relative advantage of SUVI**

To diffuse, an innovation must have some relative advantage to be able to supersede the previous idea that has been used up till the present time. The
degree of relative advantage may be measured in economic terms, but social prestige, convenience, and satisfaction are also important factors (Rogers, 1995).

Among the advantages of the SUVI service, the informants mentioned that the SUVI service had been quickly developed into a functioning and easily utilised tool. The technology of the service and its updating are functional, due to the relative simplicity of the Lotus Notes software. SUVI is an important national function from the FOU customers’ point of view, and something that did not earlier exist. The service was described as a sophisticated information pool, the use of which saves time for both the students and the staff, which implies that SUVI probably reached its target of information provision. Nationwide information is provided concerning courses, their popularity, teaching staff and the vocabulary and terminology of open universities (such as distance learning, open learning, self-directed learning, study circle, virtual studies), the working principles of FOUs and their annual cycle of open universities, the actions incorporated in this cycle, and information concerning employment opportunities and the Ministry of Education.

From the educational management viewpoint, one of the principal advantages offered by SUVI is that it provides a tool for storing course information for various purposes and at any phase of course planning. Educational programs can be downloaded and printed directly from the database. This reduces the time required for the production of a curriculum. The student guidance pages were used for preparing study guides. In this phase, too, the reduction of the workload meant an economic advantage. The inquiry confirmed that the service was widely used in counselling (65% of the respondents). The pages also helped especially new employees to find out about the annual cycle of the Open University and its regular functions. The division of tasks between the different FOUs could also be seen through the SUVI service. The statistics of SUVI were considered especially helpful for the FOUs that had not yet systematically developed their own statistical functions.

All the information available through the SUVI service facilitated the tasks of the staff working at customer or student service. In client service, SUVI was utilised by 75% of the respondents. However, there was also information not found through SUVI, such as the results of examinations, information about the compatibility of subjects, students’ address information, etc.

The major weakness of the service was its continuity, which was initially only guaranteed for one year at a time. It was perceived as risky to rely solely on this assistance for the information management of an Open University. Technical dependence on the SUVI service was considered a real threat. Another threat was caused by the independence of the FOU units, which can, at any time, decide to resign from SUVI. This would result in incompleteness of the service and its information contents.
Compatibility of SUVI

The need for SUVI functions was related to the tasks of the employees of the open universities and, consequently, also to how compatible the SUVI service was perceived to be with the existing values, needs, and past experiences. Some course planners perceived SUVI as extremely important, as it reduced the need to inform different actors of FOU management and education, facilitating simultaneous provision of information and enabling collaboration between different actors during a multi-phase course planning process. Especially in the FOUs that provide a lot of education, there was a clearly perceived need for the SUVI educational database, which helped to rationalise course planning.

The lack of compatibility was suggested by opinions concerning the established practices and courses of action that had developed over the years and become optimal for the unit in question. In such cases there was neither an experienced need for such service as SUVI, nor awareness of its advantages or possibilities. The reserved attitude was most visible in the open universities that already had an information system of their own. The new system seemed to produce extra work, not only in the implementation phase, but also in familiarising the students with the use of the new system. Some interviewees doubted whether the information and other needs of the different FOUs had been taken into consideration when setting up the service. The terminology used in SUVI was also occasionally considered unclear and inconsistent with that used by the open universities themselves.

So far, the Intranet part of SUVI has not been actively used, because there was no explicit need for it. It was merely seen as an information source, not as a tool for collaboration between the open universities.

Complexity

The FOU staff are generally experienced in using computer-based methods. This probably reduced the complexity problems in the implementation phase. The notable turnover of FOU staff, however, causes a frequent need to introduce SUVI to new personnel. To counterbalance this, SUVI can be used to introduce the world of open universities and open education to a novice.

Although the open universities used office automation actively, one source of complexity was the level of technology. If the computers were not new or efficient enough, their slowness or lack of capacity caused problems in the use of the SUVI service.

The long intervals between updates were also found problematic because the updating functions were sometimes forgotten as time elapsed. However, as the service became more familiar, it was found to reduce the amount of work in several tasks. One more reason for the slowness of adopting SUVI was the diffi-
difficulty to remember the passwords. This inconvenience will probably further increase along with growing use of other Internet facilities.

As far as the functionality of the Intranet service for the FOU employees was concerned, serious problems were detected in a study conducted in 1999 (Kurkela). The major inconvenience was the difficulty to figure out what information was located on the different pages of the Intranet. This was due to the sometimes fuzzy titles of the pages, or, in contrast, to the illogical location of information. For example, statistics could be found on two different pages. At the time of Kurkela’s study, the naming of some buttons was perceived as complicated, especially as they were, for some reason, named in English, although the other texts were in Finnish. The functioning of some buttons was found surprising. More instructions were needed, as were also such functions as a possibility to generate a list of all people holding a certain position in the different FOUs. Information concerning the target group of the service and those maintaining it as well as more detailed information concerning possible errors were needed. The purpose of this study was to identify possible points of misfunctioning in order to eliminate them while the development work was still going on (Kurkela, 1999).

Observability

The mere updating of course information provides visibility nationwide and, through the English language pages, also internationally. In this respect, SUVI has enhanced the availability of information concerning the FOUs, simultaneously increasing their openness. SUVI’s role in marketing the FOU courses was considered obvious, especially for young students who are familiar with the Internet. It was perceived as especially important for the smallest units, and in this respect SUVI has contributed to regional equality. Marketing and information were among the best adopted SUVI functions. In net education, the FOUs use SUVI as an information channel, although it would not be utilised otherwise.

SUVI has been a tool for visualising previously tacit information, such as open university terminology, which is defined on the student guidance pages. The operating principles, the annual FOU cycle, and the activities of the other open universities through statistics are also available. In response to the claims that some definitions are not compatible with the open university practice, SUVI offers a possibility for feedback and discussion, which may result in a mutually accepted use of terminology. All this is possible through the enhanced observability of actions provided by SUVI.

Use of SUVI service

Some of the interviewees were fully familiar about the information included in the SUVI system and its functions. This was especially the case in the open
universities where SUVI was perceived to have clearly improved the working routines. It was considered as a natural tool, and the staff were familiar with its vocabulary. Indeed, the staff in one FOU office had created a special SUVI language. The implementation of a new tool at a workplace requires the whole organisation to decide on how intensively and in what ways the new tool will be utilised and how the system will be integrated into their own operation. Some open universities familiarise every new employee with SUVI in the very beginning, but this was not routine everywhere, and further acquaintance with the system was dependent on each recruit’s own activity. According to an e-mailed inquiry, 55% of the respondents had not received any training in the use of SUVI. Therefore, the awareness of its possibilities also varied. The Intranet pages for the staff were less widely used, because their function was not clear. Lack of time was often mentioned as the reason for not using the services.

DISCUSSION

SUVI is a managerial and information tool for the Finnish Open Universities. Its greatest advantages have been the reduction of the workload in the planning phase of courses and the greatly enhanced visibility of the provided education. In this and several other respects, SUVI has been able to meet the targets set to it. The perceived relative advantage and the compatibility with the perceived needs of the adopters had an important role in the diffusion of the SUVI service and the depth of utilisation. They affected the development of the attitudes towards the innovation, which was diffused with a centralised strategy and by a change agency. Consequently, the diffusion was not always based on perceived local needs, and it was therefore sometimes doubted whether the innovation would be consistent with them. The increased observability provided by the system was, nevertheless, generally perceived as an important advantage, and especially when SUVI was not used as a tool for course planning, this was the reason for adopting it. The SUVI system was not considered especially complex. However, the need to learn the system in the beginning may have delayed its implementation and full utilisation. The helpful and active change agent, the SUVI team, however, strongly counterbalanced the complexities faced at the implementation phase.

The experiences gained during the diffusion process are an almost classical example of the centralised diffusion pattern described in the literature. The change agency offered a joint, integrated web system that reduced the workload after being fully implemented, enhanced both national and international visibility and provided a widespread marketing tool, a sophisticated information supply as well as a tool for personal study guidance. Yet there was also hesitation about adopting it. In the open universities where the previous information systems
worked optimally, there was no perceived need for a new one. Consequently, SUVI suffered from a lack of compatibility with the perceived needs.

The extra workload in the implementation phase sometimes caused people to postpone the effort to get to know SUVI well. It is easy to use the system for information seeking, but giving up one’s own educational database requires a serious consideration of the risks involved. The reliability of the technical functioning of the educational database and its continuity were perceived as the greatest risks. In the beginning, the project only had funding for a year.

On the other hand, in the units where no equally sophisticated solution or information management was available yet, SUVI, being compatible with the perceived needs, seemed to be one. The workload necessary in the implementation phase was counterbalanced by the reduced amount of work when the service was fully exploited.

Other advantages of the SUVI system include its quick development and easy utilisability. Its technology and updating are functional, and the technological staff were perceived as supportive during the implementation phase. SUVI was also described as an important national function from the customers’ point of view. Another important advantage of the SUVI project was that it increased collaboration between the Finnish open universities and created an Intranet forum for this purpose.

It was perceived as a great achievement that a service such as SUVI has been built and such a consensus has been attained amongst the 19 self-esteemed open universities. It is not an easy task to stimulate collaboration between independent open universities, which may also regard each other as competitors. Competition may possibly even increase as virtual courses become more common and people can choose courses from any open university – regardless of geographical distance. At any rate, all open universities must also be aware of potential international competitors, and this is a good reason to consolidate domestic collaboration. In collaboration, it is possible to pool the intellectual capital concerning open learning and to make optimal use of it. Now that SUVI is a permanent system instead of a one-year project, it is easier to rely on it, not only as a source of information, but also as a planning tool. As the staff have got familiar with it and increasingly aware of its advantages, it can be hoped that it will also be used as a tool for voluntary collaboration.
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The Intrusion and Expansion of Community Policies in Higher Education

Elsa Hackl
Federal Ministry for Education, Science and Culture, Austria

ABSTRACT
This article deals with the intrusion and gradual expansion of Community policies in higher education. Its main topic, however, concerns the past three years, that is the period which began with the declaration to create a European area of higher education (Sorbonne Declaration) and ends, for the time being, in May 2001 with the Prague Communiqué of European Ministers in charge of higher education. Therefore, for the period up to 1998 only the most decisive steps are analysed. The Sorbonne Declaration and the events which followed, in contrast, are dealt with in some detail.

INTRODUCTION
From its origin in the Treaty of Rome to the present day, the policies of the European Union have spread from its economic core to embrace almost every conceivable political area. Mark Pollack2 used the notion “creeping competence” for this gradual but spectacular growth of policy-making at the European level. Higher education policy is an example for the expanding agenda of the European Community. Though, as with other policy areas, Member States differ as to what extent they are still in command of their national higher education systems or to what extent they mainly react to Community measures, and though universities and academics differ in their Community orientation, a European higher education area is being established.

But higher education policy does not only provide a good example for growing Community competence, it also exemplifies the complexity of this process. First, it demonstrates that different mechanism worked or different actors took the lead at different times. Neither is the Community's expanding policy-making due to a deliberate transfer of power from the Member State, nor did Community insti-
tutions ingeniously or ruthlessly usurpate power. Second, higher education also shows that a policy area changes its orientation and substance as a precondition for or in the process of its Europeanisation. And finally, the developments in higher education also point at the difficulty of a lasting definition and clear-cut separation of Community and national competence that some expect from a European Constitution. It seems that the predominance of the political vis-à-vis the economic system or their balanced relationship at the time of the nation state when the most renowned federal systems were created, stabilised their division of competence. The European Union, in contrast, originally an economic community and still fundamentally so with its economic orientation and values, is bound by the expansive market philosophy which, so it seems, prevents any stable division of responsibilities between the Member states and the Union.

CREATING THE PRECONDITION FOR A EUROPEAN HIGHER EDUCATION AREA

In the original treaties, the term “education” is missing. They include, however, provisions concerning two areas that are closely linked to education, namely vocational training and the mutual recognition of diplomas, certificates and other evidence of formal qualification.

The term “vocational training” is used twice: once in Article 118 EEC which gave the Commission the task of promoting closer co-operation between the Member States in the social field, including basic and advanced vocational training, and again in Article 128 EEC, which provided that the Council is to lay down “general principles for implementing a common vocational training policy capable of contributing to the harmonious development both of the national economies and the common market”. The relevant provisions were established in 1963 and state that “the general principles must enable every person to receive adequate training, with due regard for freedom of choice of occupation, place of training and place of work”. Two decades later, as will be shown below, the European Court of Justice (ECJ) would subsume higher education under vocational education and establish the right to free movement of students.

The mutual recognition of diplomas and certification within the Community is a precondition for free movement of persons and services. Article 57 EEC therefore gave the Council the power, “in order to make it easier for persons to take up and pursue activities as self-employed persons to issue directives for the mutual recognition of diplomas, certificates and other evidence of formal qualification”.

In 1974 the Council adopted a resolution on the mutual recognition of diplomas, certificates and other evidence of formal qualifications in which the linkage between the freedom of establishment and services, on the one hand, and the mutual recognition of qualifications, on the other hand, are underlined. Mutual recognition is intended to have an impact on national education policies, which
are in turn expected to contribute to the realisation of the freedom to establish-ment and services. In 1975, the first directive was adopted. It dealt with the recog-nition of diplomas in medicine and health professions. Directives on dentistry and veterinary medicine followed in 1978, and on pharmacy and architecture in 1985. They were accompanied by “co-ordination directives”, in which national study programmes were harmonised to a varying extent and which limited national education policies.

Experience provided that the “vertical” approach – harmonising the curricula profession by profession – was time consuming. In addition, the fact that hitherto all directives had concerned sciences which were to a larger extent for discipline reasons internationally already more harmonised than e.g. the humanities, might have enhanced the search for a new solution. In 1988, when the Directive 89/48/EEC was adopted for a general system for the recognition of higher education diplomas awarded on completion of professional education and training of at least three years’ duration, the “vertical” approach was replaced by a “horizontal” one. This directive applies to all disciplines and allows EC citizens holding a higher education diploma to practice their professions in any EC state. In cases of important differences in education or in organisation of a profession, the host country may require evidence of prior professional experience or an additional training period or aptitude test.

The three-year requirement for recognition has given rise to discussions and reforms. Some countries with courses shorter than three years have been required to upgrade them to fall in line with the Directive. Other countries, which previously used only secondary level training for certain professions, have been required to develop new higher education courses. In addition, systems with a long duration of studies have become increasingly aware that the nation state may no longer protect them from competition and that their graduates may face competitive disadvantages.

Directives on the recognition of diplomas, notably Directive 89/48/EEC, have established the issue of curricular differences and similarities in the Community. In the mid 1980s the ECJ developed the right to free movement of students and hence added another precondition for a European area of higher education.

In this context, the Gravier case has been the most significant. Gravier was a French national who moved to Belgium to study strip cartoon, a four-year course of higher education at the Académie Royale des Beaux-Arts in Liège. Gravier was charged a registration fee by the Belgian authorities, one which was not imposed on Belgian students, and her right of residence was questioned.

The ECJ ruled that the imposition of a registration fee is a breach of Article 7 (principle of non-discrimination). It held that the common vocational training policy referred to in Article 128 EEC is an indispensable element of Community
activities and objectives, and that “access to vocational training is in particular likely to promote free movement of persons throughout the Community, by enabling them to obtain a qualification in the Member State where they intend to work and by enabling them to complete their training and develop their particular talents in the Member State whose vocational training programmes include the special subject desired”. The Court then clarified that vocational training as being “any form of education which prepares for a qualification for a particular profession, trade or employment or which provides the necessary training and skills for such a profession, trade or employment is vocational training, whatever the age and the level of training of the pupils or students, and even if the training programme includes an element of general education”.

Some authors have argued that the Gravier case directly influenced the Council’s decision to adopt the Commission’s proposal for the ERASMUS scheme, a programme adopted in 1987 to support the establishment of a co-operation network between universities and to provide grants for students pursuing a period of study at a university in another Member State. An organised mobility of students based on inter-University co-operation was to prevent uncontrolled and unevenly distributed student migration.18

However, the drive to enhance mobility as a means to promote scientific developments in the Communities and to strengthen European coherence can be traced back to the 1950s19 and has remained a topic of debates and reports on education ever since.

The ERASMUS programme was preceded by a Commission grant scheme for the support of joint study programmes and short study visits. This scheme had been set up on a pilot basis as a result of an Action Programme of 1976 in the field of education20 and was judged successful.21 In addition, various reports and resolutions included academic mobility in their policy agenda, such as the Adonnino Report of 1985 (People’s Europe), the White Paper on the Completion of the Internal market (The Political, Cultural and Social Dimension of the Community), and the Resolution of the Council of 1988 (European Dimension in Education).22

The first ERASMUS programme aimed at achieving a significant increase in the mobility of students and teachers within the Community and to promote greater co-operation between the universities. Objectives were to provide the Community with an “adequate pool of manpower with first hand experience of economic and social aspects of other Member States” and “to strengthen the interaction between citizens in different Member States with the view to consolidating the concept of a People’s Europe”. The greater co-operation of universities was to promote quality of education and hence contribute to the competitiveness of the Community. Three action lines are stated: establishment and operation of a network of universities that have agreed on an exchange of students and teachers
and that recognise study periods thus accomplished; development of a student grant scheme; and the introduction of measures to promote academic recognition of diplomas and periods of study (European Credit Transfer System – ECTS), along with complementary measures to promote student mobility; e.g. support for university associations, consortia and publications.

The first phase of the ERASMUS programme lasted from 1 July 1987 to 30 June 1990. It was followed by ERASMUS II, starting in 1990 and covering five years. From 1995 to 2000, the ERASMUS activities have been included, among other sub-programmes, in two broader SOCRATES programmes. Since 1995 the new Article 126 on education had provided a more comprehensive legal basis for the Community and actions concerning school and adult education can therefore be included. ERASMUS has, however, remained the major sub-programme.

During the whole period, the number of students participating in the mobility scheme have continued to increase and ERASMUS is often regarded as the most visible success story among the education programmes of the European Union. The programme has contributed substantially to rising student mobility, it has laid the basis for a European credit system (ECTS) and has affected national legal systems.

But there have also been side effects that enhanced Europeanisation:

- With funds at the Commission’s disposal, universities and students have become its clientele and communication is no longer mediated by the Member States.
- New European associations and interest groups in higher education have formed to lobby in Brussels. Those set up in the 1970s, when education first became an issue, have increased their activities (ACA – Academic co-operation Association, EAIE – European Association for International Education, ESN – Erasmus Student Network, ESIB – National Union of Students in Europe, AEGEE – Association des États Généraux de l’Europe, Confederation of European Union Rectors’ Conferences, EURASHE – European Association of Institutions in Higher Education see also: Directory of European associations in the field of education, European Commission, 1999).

- For administration of the programme in the Member States, both in the ministries and in the universities, new units have been set up. To fulfil its function and abide by EC rules, its staff needs to be more oriented towards Brussels than towards national governments. Some authors, again, have pointed to the possibility that units in such a double-loyalty situation may pursue their own policy through manipulation.

- The administration of the programme has enhanced knowledge of European higher education at the Community level. EURYDICE, the Education Information Network in the European Union, has become increasingly important.
Finally, intergovernmental activities have also increased. ERASMUS has been on the agenda of Minister meetings, and in 1994 the Directors General for higher education began to meet regularly.

THE SORBONNE DECLARATION:
A EUROPEAN HIGHER EDUCATION AREA ENVISAGED

In the second half of the 20th century all national governments, at one time or another, have been faced with two developments: a substantial increase in student numbers and financial stringency. The massive expansion of higher education has entailed differentiation and a shift to more vocationally oriented courses. Coupled with restrictions in public spending, expansion has motivated national governments to decentralise and strengthen institutional autonomy but also to introduce more rigid efficiency rules. The process continues, but at the end of the 1990s, universities were seen less as national institutions and more as enterprise-like organisations. Community policies, on the other hand, have enforced the shift towards vocational orientation, removed restrictions to the free movement of students throughout the European Union, and set up one of the most ambitious mobility grant systems in history. The latter has enhanced the enterprise character of higher education institutions and their European orientation.

The process of change in higher education has nowhere so far resulted in a settled situation. New legislation, White Papers, and expert reports reflect the continuous drive for innovating higher education systems. The Sorbonne Declaration, too, was preceded by such activities. In 1997 the Dearing report was presented by the British government, and in May 1998 the Attali report was launched in France. In Germany and Italy, new legal reforms were prepared. One concern of all these national activities was the international recognition of studies and degrees.

A particularly relevant point for France and Germany was the declining attractiveness of their higher education institutions for non-European students. Compared to the United States and Australia, European universities attract increasingly fewer non-European students.

A further reason for the joint action was to build support for reforms. Those had encountered opposition in France from higher education institutions and in Germany from the Länder. Still another reason was the unsettled or dynamic distribution of competence between the Member States and the Community. The Commission had expanded its competence in higher education and introduced the successful mobility programme. Since the Commission has been less successful regarding the recognition of studies, the Member States could demonstrate their role.
The Declaration was initiated by the then French Minister and drafted in close co-operation with the Ministers from Germany, Italy and the United Kingdom. Neither the Commission nor other external bodies were included in the drafting process. It was signed only by the four Ministers, even though representatives from other governments were present at the conference. Reasons given for the restriction of signatories include lack of time for further consultations and other, more strategic, considerations: "Puis nous nous sommes dit : en matière universitaire, si la France, l’Italie, l’Allemagne et la Grande-Bretagne sont pour, les autres suivront (“Then we thought: as far as higher education goes, if France, Italy, Germany and the UK are for it, the others will follow”). The document was presented in the course of the conference (Sorbonne Forum) which was organised with the assistance of the French Conference of University Presidents on the occasion of the University Paris-Sorbonne’s eight hundredth anniversary.

The Declaration, titled Joint declaration on harmonisation of the architecture of the European higher education system, deals with two issues: an open European area for higher learning and international recognition of degrees and attractiveness. With regard to the first point, the document underlines the need for “continuous efforts to remove barriers and to develop a framework for teaching and learning, which would enhance mobility and ever closer co-operation”. It mentions the usefulness of the ECTS scheme for the recognition of study periods abroad and lifelong learning, as well as directives and conventions on the recognition of higher education qualifications and degrees. It encourages a further expansion of student and staff mobility and a progressive harmonisation of the overall framework of degrees and cycles. The recognition of degrees is relevant both for intra-European mobility and for the international competitiveness of European higher education. To be attractive, degrees from European institutions need to be externally and internally readable and recognised. “A system”, reads the Declaration, “in which two main cycles, undergraduate and graduate, should be recognised for international comparison and equivalence, seems to emerge”. The undergraduate diversified level should lead to an appropriate level of qualification. In the graduate cycle, emphasis should be placed on research and autonomous work. The four Ministers commit themselves to “encouraging a common frame of reference, aimed at improving external recognition and facilitating student mobility as well as employability”, and “to engage in the endeavour to create a European area of higher education”. Finally, the other Member States of the Union and other European countries are invited to join.

Why is it that the Sorbonne Declaration has attracted so much attention in all European countries? Its content, at first glance, is vague and leaves room for interpretation. One would suppose that all Member States could without major difficulty fit their higher education systems within the Declaration’s framework. The document even seems to encourage variable interpretation with its reference to...
respecting national diversities, just as Community documents on education usually do. A system with two main cycles, undergraduate and graduate, is envisaged, but neither their length nor their structures are mentioned.28

In addition, it is a document by the four Ministers responsible for higher education, not a binding treaty.

The attention the Sorbonne Declaration attracted cannot be explained by a single reason; rather, there have been at least three factors contributing to its high profile:

First, the term “harmonisation”, used once, in the title (“harmonisation of the architecture of the European higher education system”) and again in the penultimate paragraph (“Progressive harmonisation of the overall framework of our degrees...”) is a delicate notion in education. This has been explained in literature by the functions education has fulfilled for the nation state. The issue is still more complicated with higher education. The concept of “academic freedom” has made it a shared responsibility of academics and national governments. Whereas the patterns and funding of higher education are in the hands of governments, curriculum issues rest largely with academics. Curriculum refers to the content and methods of teaching and learning. But these, of course, determine the length of a course. What is regarded as an appropriate level of achievement for conferring a degree, again, depends on the orientation of higher education.

The signatories of the declaration represent not only the four largest EU Member States but also the three major models or orientations in European higher education. These have been described as the “personal development model” (UK), the “Humboldtian or research model” (Germany), and the “professional training model” (France).29 All three models were developed when only a small portion of the population received higher education and have since come under pressure with expansion.

The pressures of expansion and budgetary stringency due to economic policies have lead to some approximation of the European countries with regard to steering and funding higher education. The pressure resulting from expansion on teaching and learning is twofold: it concerns the organisation of teaching and learning and curriculum content. Concerning the latter, recent decades have witnessed an increase in vocationally oriented courses. But differences in European higher education systems have remained significant, because the organisation of teaching and learning as well as degree structures continue to be largely determined by the three models' different orientations. This variance has complicated Community activities concerning curricula, including the recognition of degrees and study periods.

Until the Sorbonne Declaration, the three models were protected by the Member States on grounds of national tradition and cultural diversity. The Sorbonne
Declaration signalled a reduced commitment to support the particularities of national higher education. A “European area of higher education” is to be created, and national higher education must adapt to fit under the new roof.

The notion of a “European area of higher education” in the Sorbonne Declaration was not totally new. “The creation of an open European area for co-operation in education” has been one of SOCRATES’ objectives. However, those co-operating need to have less in common than those forming an area. A European area of higher education must have at least three components. First, students and staff need to be mobile. Second, the “services” offered by universities within the area must not be protected against competition via non-recognition of non-national certificates by national (including national academic-professional) authorities. And third, higher education institutions must not be part of the national administration but able to act in a European context. None of the three conditions exists in European higher education, but a process towards their realisation has been initiated. The ECJ and Community mobility programmes have addressed the first issue, and national policies have engaged in an organisational denationalisation of universities. The Sorbonne Declaration, finally, has addressed the “protection of services”.

A second reason for the Sorbonne Declaration’s renown is that the signing was followed almost immediately by reforms in France and Germany. This signalled that the signatories were committed to implementing their declarations.

Third, the Sorbonne Declaration is well known because it was not a single event but has been followed immediately by further activities. The other Member States of the Union and other European countries were invited to join the four signatories and sign the document. Perhaps even more importantly, at the Sorbonne Forum, L. Berlinguer, then Italian Minister for Education, extended an invitation to fellow Ministers in other European countries to a follow-up conference in Bologna in spring 1999. Some weeks later, the process to prepare for this conference began.

THE BOLOGNA DECLARATION: A EUROPEAN AREA OF HIGHER EDUCATION DEFINED

The Sorbonne Declaration was first discussed by all EU Ministers of Education in October 1998 in the course of an informal meeting. Those countries that had not been involved in the Sorbonne proceedings commented on this fact with regret. There was general agreement that a comparative study should be done to map the existing structures in European higher education, and the establishment of a working group on the topic was proposed. O. Zecchino, who had followed L. Berlinguer as Minister for Education in Italy, renewed the invitation to a follow-up conference in spring 1999 in Bologna.


Only a few days later, the meeting of the Directors General for higher education of the EU Member States and the Chairmen of Rectors’ Conferences of the EU Member States that have met regularly since 1994, took place. A “Sorbonne follow-up working group” was set up. The group was comprised of representatives from Austria, Germany, Finland (i.e. the “troika countries” of spring 1999), from the hosting country of the Bologna conference, the European Commission, the Confederation of European Union Rectors’ Conferences, and the Association of European Universities. Later also representatives from France and the United Kingdom participated.

From December 1998 to May 1999, four sessions of the working group took place. The sessions are most interesting with regard to how the Commission, the national governments, and the academic community interacted, which of these three stakeholders in higher education took the lead, and the roles to be played by each in preparing the Bologna Declaration.

At the first session, the Italian representative informed the group about technical details. Invitations were to be sent to all EU Member States and associated countries. The group was then informed that the Commission had commissioned the Confederation of EU Rectors’ Conferences to produce a report on Trends in Learning Structures in Higher Education. The report was to provide an overview of higher education structures in EU Member States and in the countries of the European Economic Area, outlining divergences and convergence. This study was also a response to the demand raised by the Ministers at their meeting in October 1998.

In the next sessions, the Commission representative raised the question of competence and stressed that the document should not include activities that are already done on the Community level but should go beyond it. The question was also raised, but not further discussed, of whether the declaration was to be an intergovernmental or a mixed (including Community responsibilities) document.

A draft of the document to be adopted by the Ministers was prepared. It was sent out for comments to all Ministers who were invited and the working group summarised the main questions and comments. The project on Trends in Learning Structures in Higher Education was made available, in June, to all who would participate in the Conference. To discuss further steps, the working group agreed on a meeting after the Bologna Conference.

The Bologna Conference took place on 18 and 19 June 1999. On the first (“academic”) day which was organised by the University of Bologna in co-operation with Confederation of European Union Rectors’ Conferences and the Association of European Universities, the study Trends in Learning Structures in Higher Education was presented by one of the authors. In the afternoon session, academics and civil servants from the participating countries met in working groups to discuss the following issues: architecture of learning structures, flexibility in the structure of
qualifications, learning paths, competition and the European Higher Education Space, and human resource development.

On the second day the President of the Association of European Universities, presented the Ministers with a report that summed up the discussions from the previous day. This presentation was followed by a debate on the draft declaration on The European Higher Education Area, introduced by the Italian Minister. The declaration was then signed by Ministers responsible for higher education (or their deputies) of 29 European countries. Finally, to promote continuity an invitation was extended to attend in spring 2001 a conference in Prague.

To assess what has been achieved, the Bologna Declaration and its distinction from the Sorbonne Declaration are now considered.

The Bologna Declaration, The European Higher Education Area. Joint declaration of the European Ministers of Education convened in Bologna on 19th June 1999 – so reads the full title – opens similarly to the Sorbonne Declaration with a commitment to building a “Europe of Knowledge”, which the document sees as necessary “to consolidate and enrich the European citizenship”. It refers to the Sorbonne Declaration’s intention “to promote citizens’ mobility and employability”, to the reform processes which have been launched in the meantime and which prove the governments’ determination to act, to the role of European higher education institutions in constructing the European area of higher education, and to the Bologna Magna Charta Universitatum of 1988. These are moves in the right direction, but concrete measures are needed to achieve greater compatible and comparable systems and ensure the international competitiveness of the “European system” of higher education.

After a commitment to co-ordinating national policies “in the short term, and in any case within the first decade of the third millennium”, the document states the following seven objectives in order to establish the European area of higher education: first, adoption of a system of easily readable and comparable degrees, also through the implementation of the Diploma Supplement. Second, adoption of a system based on two main cycles, undergraduate and graduate, the former lasting a minimum of three years and leading to a degree which is both relevant to the European labour market and, is appropriate for continuing studies; the graduate cycle should lead to a master’s and/or doctorate degree. Third, establishment of a system of credits, such as ECTS, to promote student mobility. Fourth, overcoming other obstacles to effective mobility of students and staff. Fifth, promotion of European co-operation in quality assurance. Sixth, promotion of the necessary European dimensions in higher education. Seventh, after expressing respect for the diversity of cultures, languages and national educational systems and for university autonomy the Declaration concludes with the commitment to consolidate the European area of higher education by intergovernmental co-operation,
together with those non-governmental European organisations that have competence in higher education. In order to assess progress, another conference should take place within two years.

In what way is the Bologna Declaration different from the Sorbonne Declaration and what are their scopes?

First of all, there is the difference in the drafting procedures. Whereas the Sorbonne Declaration was drafted by four Ministers and their secretariats, the responsibility for drafting the Bologna Declaration was more widely shared.

Second, the Bologna Declaration encompasses more objectives. There is a commitment to already well established Community activities, such as the Diploma Supplement, the ECTS system, and the promotion of student and teacher mobility. But there are also new areas, such as quality assurance and international competitiveness, that might eventually lead to new or extended Community activities. Furthermore, the key issue of the Sorbonne Declaration, the “harmonisation of the overall framework of … degrees … and cycles”, is taken up and formulated more precisely.

Finally, in invoking the Bologna Magna Charta Universitatum and calling upon the universities to respond and to contribute to the consolidation of the European area of higher education, the Bologna Declaration recognises the role played by the academic community.

With regard to contents, the Bologna Declaration is a mixed document. The question of whether it was to be an intergovernmental or Community document had been raised in one of the preparatory working group session, but had not been further discussed. The Declaration deals – for the greater part – with established Community activities. Its intergovernmental aspects supports and concretises the Sorbonne Declaration. It is much more of an administrative document than the Sorbonne Declaration which is a purposeful but vague policy statement of ministers. This is also the contribution of the Bologna document to the development of a European area of higher education: it has defined the Sorbonne Declaration and has supported the ongoing national reforms and changes of degree structures. It has set a time limit for reaching its goals and has initiated a follow-up process. In addition, it has enhanced Community activities and opened the door for new ones. And last but not least, it has expanded the number of signatory states.

Formally, the Declaration is not a mixed but an intergovernmental document. It was signed by the Ministers responsible for higher education of the EU, of EFA/EEA, and of the associated countries. There is, however, a particularity that might be confusing, namely that the signatories commit themselves to engage in coordinating their policies to reach objectives which are for the most part also under
the ERASMUS programme. Despite this fact the Declaration does not mention the Commission.

The question of whether the Declaration is binding or not was discussed unofficially by some countries after receiving the draft at a meeting of the Education Committee Conference and clarified individually that document was not a binding one. Despite this implicit agreement of the signatory countries on the document’s non-binding character, there seems to be confusion about its normative status as the following example illustrates: “The Bologna Declaration is not just a political statement, but a binding (sic) commitment to an action programme”. Such a description points to the problematic side of the Declaration. Those who in one way or another have to implement it or are ultimately affected may be misinformed about its legal scope. If we look at some of the reasons that inspired the Sorbonne and Bologna Declarations the lacking transparency of the declarations’ legal scopes might be used intentionally to manipulate information and to enhance one’s position or policy. Such strategic interpretation is an ambiguous tool, however, since it evokes or enhances the perception that Europeanisation leads to a democracy deficit.

FROM BOLOGNA TO PRAGUE: A FOLLOW-UP TO SECURING COMPLIANCE

Whereas the establishment of a follow-up process to the Sorbonne Declaration was mainly due to the fact that most EU Member States had been excluded from the preparation and signing of the document, the Bologna Declaration provided explicitly for a follow-up which later became to be known as Bologna Process. It concludes with the decision “to meet again within two years in order to assess the progress achieved and the new steps to be taken”. Follow-up processes or continuous monitoring have become a tool of the Community, also in other policy areas, to enhance compliance with non-binding rules.

The “Sorbonne follow-up group” met, as had been envisaged, after the Bologna Conference in July 1999, to formally terminate its work. It discussed the future tasks and, in principle, structured the follow-up of the Bologna Conference. It agreed that a new group had to be set up, that different parts of the Bologna Declaration had to be implemented by different actors who needed co-operation, and that the role of the Commission was paramount in the process. Formally, the new follow-up group was to be set up in September at the meeting of the Ministers of Education.

The follow-up group comprised of representatives from the countries successively holding the EU presidency during the two years prior to the Prague meeting (Finland, Portugal, France, Sweden), from the Czech Republic, the European Commission, the Confederation and from CRE. In addition, there was an enlarged, “consultative” group with representatives from all signatory countries (“national
contact points") which also reports on national progress. Both groups began their work in autumn 1999. In 2000 and 2001 both the follow-up group and the enlarged group met several times.

The follow-up process covered all objectives stated in the Bologna Declaration and was not restricted to the harmonising degree structures or preparing for the Prague Conference. It was therefore also a means to promote existing ERASMUS activities or to start new Community projects. In each meeting, participants updated each other about activities and projects. The first comprehensive progress reports on implementing the Bologna Declaration, including the adaptation of the degree structures, were presented a year after the Bologna Conference by the national representatives in the enlarged group.

To facilitate implementation of what was agreed upon in Bologna and to prepare for the Conference in Prague the Commission commissioned reports and funded different activities.

The study *Trends in Learning Structures in Higher Education* was supplemented by a follow-up report (*Trends II*). One part deals with the associated countries that signed the Declaration but were not covered in the initial study. Another provides a further update, covering the developments since the Bologna (*From Bologna to Prague*). The report was on web by April 2001.

Further activities for the Prague meeting carried out by or with support of the Commission concerned the Diploma Supplement, the Credit Accumulation and Transfer Systems, the European Network of Quality Assurance, transnational education, tuning of educational structures in Europe, accreditation of study programmes and institutions as well as Bachelor level degrees.

In March 2001 *Trends II* was discussed and commented upon at a conference for academics, the “national contact points”, and the Commission in Salamanca. This conference, the “Convention of European Higher Education Institutions” has been planned and organised as an activity of the academic community. On the basis of the reports and the conference, a message *Shaping the European Higher Education Area* was produced as an imput to the Prague Conference of the Ministers. In this document the European higher education institutions reaffirmed their support for the Bologna Declaration. They confirmed their adhesion to academic freedom which must enable universities “to shape their strategies, choose their priorities in teaching and research, allocate their resources, profile their curricula and set their criteria for the acceptance of professors and students” and criticised the “current overregulation and minute administrative and financial control of higher education in many countries”. However, the document then advocates the European tradition of “broad and open access to undergraduate as well as graduate studies” and of “education as a public responsibility”. Another contribution to the Prague conference drawing from the *Trend II* and the Salamanca Conference
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was the report *Furthering the Bologna Process*. It gives an overview of the developments since Bologna and makes suggestions for further actions, both concerning the European higher education area and the follow-up process.

Also in March, student representatives met in Göteborg to discuss their role and position in the Bologna process. The ESIB issued a declaration which underlined the necessity to include students in the Bologna process on an equal basis with the other stakeholders. The *Student Göteborg Declaration* points out that the Bologna Declaration failed to address its social implications on students. Students are not customers of a tradable education service but education is a public good and it is the governments’ responsibility to guarantee equal access to higher education. With regard to mobility the student document called upon the governments to remove social, economic and political obstacles.

Conferences and workshops have also been organised by other associations in higher education, such as EURASHE, the European Society for Engineering Education (SEFI), and the EAIE.

On the national level, seminars have been arranged to inform different stakeholders in higher education about the Bologna Declaration and the ongoing processes. A number of countries have introduced new laws to bring their systems in line with the objectives of the declaration, while others are still in the process of legal change. So far, legal amendments have been used to change degree structures not only in France, Germany and Italy, but also in Austria, Netherlands, and Norway. In the associated countries, educational systems underwent major reforms in the course of the political changes. Many of these reforms have been inspired (due to reviews by World Bank, OECD, etc.) by a system that with regard to degree structures, largely corresponds to the Bologna Declaration’s objective.

The meeting of the European Ministers in charge of higher education in Prague took place on 18 and 19 May 2001. On the first day the three documents which have been prepared as input for the discussion of the Ministers were presented, namely the report *Furthering the Bologna Process*, the recommendations of the (Salamanca) Convention of European higher education institutions and of the (Göteborg) Convention of European students. On the second day two parallel session took place. The Ministers met to respond to the report and recommendations. The representatives of higher education institutions and governments met to work on three topics which were curricular issues of the two main cycles, enhancing mobility and quality assurance and accreditation. Finally, in a plenary session the Ministers summarised their conclusions and issued the *Prague Communiqué*.

Starting with the aim of the meeting – reviewing the progress achieved and setting directions and priorities for the coming years – the Ministers referred to their choice to hold the meeting in Prague as a symbol for the enlargement of the European Community. They welcomed the report *Furthering the Bologna Process* and
expressed their appreciation of the active part played by higher education institutions and by students. Whereas the role of higher education institutions has been acknowledged in the Bologna Declaration already, the reference to that of students, “who should participate in and influence the organisation and content of education”, is new. In contrast to the Sorbonne and Bologna Declarations, too, the Prague Communiqué explicitly mentions the European Commission and its “constructive assistance”. The communiqué then deals one by one with the objectives laid down in the Bologna Declaration and comments on the achievements and on efforts which are still needed. In the area of quality assurance accreditation emerged as a new activity at the Community level. As it was the case in Bologna, the Prague Communiqué concludes with the decision on a follow-up meeting which is to take place in 2003 in Berlin. In addition, the communiqué formally established a small preparatory group and an enlarged group and states their composition. It supports dissemination activities and encourages the follow-up group to arrange seminars on priorities of the process. Most interesting for the question “what type of European higher education area” are, however, two other paragraphs, one stating that “higher education should be considered a public good and is and will remain a public responsibility” and the gradually shift in the meaning of “diversity”.

Until recently “diversity in European higher education” meant diverse national systems and was used in an affirmative way to describe the cultural and linguistic differences within Europe. The Prague Communiqué, too, in its initiatory paragraphs pays reference to the “richness of the European Higher Education Area including its democratic values, diversity of cultures and languages and the diversity of the higher education systems”. However, gradually and absolutely in accordance with a European Higher Education Area, if this notion makes sense, the emphasis shifts from national diversity to institutional and programme diversification. To enhance Europe’s international attractiveness and competitiveness, so states the Ministers’communiqué, attention should be paid to the “benefit of a European Higher Education Area with institutions and programmes with different profiles”.

The other paragraph, European higher education being a public good and remaining a public responsibility, draws from the Salamanca Convention and the Student Göteborg Declaration. The inclusion in the Ministers’communiqué raises two sets of questions. First, who is the public that is responsible for a European higher education area and who are its representatives? Is the development of a European higher education area the work of national governments and is it due to intergovernmental co-operation as the Prague communiqué maintains? Or are the responsible actors less easy to identify, as the evolution of a Community policy in higher education suggests? To what extent can Member States still shape their higher education systems or are willing to do so? These questions point at the
complexity of the process and are related to the democracy deficit issue. The second set of questions concerns the compatibility of competitiveness and of public good. Is it consistent to proclaim at the same time, as the communiqué does, the international competitiveness of higher education and its being a “public responsibility” and a “public good”? Or does competitiveness entail that higher education eventually becomes a marketable service? How will the European Union argue in future when the issue of education being a tradable service is on the agenda of the World Trade Organisation negotiations?

These latter questions suggest that the European higher education area is to transform the European states’ higher education institutions as fundamentally as the nation state changed the medieval universities.
Notes and References

1. This article is based on an EUI working paper done by the author at the RSC of the European University Institute.
12. E.g. in Italy and Austria new courses in dentistry had to be established. Formerly in these countries dentistry had been postgraduate specialisation in medicine.
15. France.
16. Austria, Finland, Italy but also Switzerland although not a member state.
20. Of [1976] C 38/1, Community activities in education increased in the first half of the 1970s. This has been explained by the fact that access of the United Kingdom and Ireland meant also additional staff for the Commission. Since the traditional areas had been staffed by the founding members, the new staff moved into new fields.


27. German text: angemessene berufliche Qualifikation, French text: niveau pertinent de qualification.

28. Though one has to notice that there have been talks between the French and German ministers about the length of the courses and obviously also an agreement had been reached: "Je pensais que le niveau bac+4 correspondait mieux à l'habitude française. C'est le ministre allemand Jørgen Rüttgers qui m'a convaincu. Son argument était politique... Si nous options pour le niveau bac+4, nous nous rangions sur la norme américaine, mais avec des étudiants plus vieux et apparemment d'un meilleur niveau", Allègre, C. (2000), p. 260.


31. This document was established by the Rectors of European Universities on the nine hundredth anniversary of Bologna University which, in principle, confirmed universities' autonomy, the combination of teaching and research, freedom in research and training (sic!) and an international orientation as being universities' fundamental principles.


34. www.unige.ch/eua/

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