CHAPTER 12

Governance

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INTRODUCTION

During the last two or three years, higher education in the U.K. has undergone a severe bout of introspection. Official reports produced on further education, lifelong learning, and work-based learning have culminated in the National Committee of Inquiry into Higher Education, the so-called 1997 Dearing Report. This report covered a wide spectrum of issues in higher education and attempted to plot the course ahead for the sector over the next 20 years. Its recommendations, and implications, are still being digested by all the relevant stakeholders, not least the government.

This spate of reports and inquiries is part of the public process of coming to terms with the shift in the U.K. towards a system of mass higher education. This shift has, of course, been common throughout the Western world in recent years. However, in the U.K., the growth in higher education has been unplanned and, to a large extent, uneven. As little as a decade ago, it was still plausible to describe British higher education as an elite system. As a result, public attitudes towards higher education have tended to lag behind changes in the system itself. Issues still abound about how higher education should be funded, how it should be extended, and even what it is for. As Peter Scott (1995) has remarked, "it is as if we have acquired a mass system in a fit of absentmindedness and have yet properly to exorcise our regrets about the passing of an elite system in which were bounded all that was (apparently) best about British higher education." But however great the sense of bereavement

may be—and in some parts of the British higher education system a strong sense of mourning remains—wider socio-economic forces continue to drive the U.K., and most other post-industrial economies, towards the abandonment of the old elite higher education system.

It is not the purpose of this chapter to analyze these forces in detail. A few reminders will suffice. As the most economically advanced nations have moved from "industrial" to "post-industrial" economies, the sources of their economic competitiveness have become increasingly knowledge-based. The quality of human resources and skills is therefore widely regarded as a key element in sustaining economic competitiveness. Furthermore, as markets are becoming increasingly globalized and capital increasingly mobile, so economic success is being regarded as increasingly tied to the flexibility and adaptability of a highly skilled labor force. Changes in the structure of organizations, whether public or private, have also increased the demand for certain kinds of generic skills, while the growing pace of both technological and social change has ushered in an era of lifelong learning, whereby these skills need to be constantly refreshed and updated.

Thus, the quality of demand for higher education is being transformed. Participation has become semi-compulsory for large sections of the population, for to be a nongraduate is, in many cases, to be disenfranchised in social terms and disempowered in the job market. Moreover, the possession of a degree is a key credential not only to entry into the job market, but also to increasingly meritocratic forms of social status. Higher education is also a key element in the new, "post-Fordist" economy. Higher education is a major producer of the expert skills and knowledge on which such an economy depends at the high technology, high value-added end of the market. Higher education institutions are often a key element in rendering local and regional economies globally competitive, not only as suppliers of high quality expert skills and knowledge, but also by providing a research base that feeds directly into local economic development. However, as the massification of higher education proceeds, so possession of a degree ceases to be a "positional good," i.e. graduates as a group cease to be so socially distinctive. While exposure to higher education is increasingly a *sine qua non* of competitiveness in the labor market, it ceases to guarantee access to elite professional jobs. Hence, higher education must not only provide expert knowledge and high levels of attainment in difficult subjects, it must also emphasize the provision of generic and flexible skills.

These changes have coincided with fresh thinking about the role of government and even rethinking of public service values. By this I mean there has been a growing distrust of top-down planning and an increasing willingness instead to trust the efficacy of markets in allocating resources. Thus, as there has been a rethinking of the scale and purposes of the welfare state, higher

education, as part of the public service, has not escaped the redefinition of government. Thus any consideration of the "governance" of the university sector raises issues about the relationship between the university sector and the state. If the state's business today is promoting economic competitiveness rather than social equity, what then does this say about the aims and purposes of higher education? And as the focus of state activity has shifted from planning inputs to auditing outcomes, is this a reinforcement of, or a demolition of, traditional notions of university autonomy?

The examples I use in this chapter will be drawn primarily from the U.K., although I certainly do not believe that the trends that I describe are unique to the U.K.; many of them can be observed across both Western Europe and North America.

GENERIC TRENDS IN MASS HIGHER EDUCATION

In 1994, the U.K. Committee of Vice-Chancellors and Principals established a long-term strategy group to provide a capacity for some long-term thinking on higher education policy. In September 1995, the group held a seminar on "Diversity in Higher Education," which included an enlightening paper by Martin Trow (1995). Trow identified a number of elements that constitute what he termed a "mature system of mass higher education." Trow listed 13 specific elements, but here I want to adapt his taxonomy and concentrate on five themes that I have somewhat arbitrarily grouped together as follows:

1. **Growth:** Trow argues that mature systems of mass higher education have at least 15 percent of the age grade entering higher education and in most advanced societies this can be rising to above 25 percent. The U.S. and Japan, for instance, are moving towards a system of "universal" higher education where over 50 percent of the age cohort now enter higher education. In the U.K., it has already been calculated that over 60 percent of the present population will, at some stage in their lifetime, experience higher education.
2. **Diversity:** This term can be interpreted in a variety of ways. On the whole, most commentators favor an increase in diversity in the higher education sector, but are divided over what it precisely means. There is also some confusion over whether diversity is best seen as a means—a variety of pathways towards a common degree standard—or an end—a variety of degree standards. In any case, the move towards a mass system of higher education has produced greater diversity of institutions in terms of their structure, organization, purpose, mission, etc. Inevitably, the growth of higher education also produces greater diversity among the student body, and indeed among the staff, with respect to their class

origins, ages, interests, and talents. This development, in turn, brings about an increasing diversity in curricula and pedagogy. Even when the new students are academically able, their interests and motivation will differ. As Trow comments, "People in the mass system can no longer assume that students will learn on their own; it comes to be doctrine that students can only be expected to learn what they are taught. That leads to a greater emphasis on teaching as a distinct skill that itself can be taught (and assessed), and places the student in the process of learning, rather than the subject, at the center of the educational enterprise, a Copernican revolution" (p. 2). Another cluster of changes implicit in the above also ensues: more modularization of courses, the emergence of credit transfer, and an increase in the numbers of mature, part-time, and working students. This development, in turn, points to the assimilation of continuing education with all its more mature vocationally oriented students into the system of higher education.

These trends are directly observable in the U.K. and have been compressed into a remarkably short space of time—less than a decade. As a result, they have produced considerable stresses in the British higher education system. For example, while the U.K. must continue to increase the number of people coming into higher education to provide the skills that will make the country competitive internationally, the nation cannot afford 104 leading research universities each striving to become like Oxford or Cambridge or Harvard or Heidelberg. Yet the nation needs *both* to ensure a continued supply of high quality people in an increasingly knowledge-based world *and* to maintain Great Britain's role at the leading edge of science, engineering, and technology. Because resources are grossly insufficient to achieve both of these objectives in all universities, we are witnessing the rapid differentiation of the university system in the U.K. Yet, the Dearing Committee was completely silent about the structural changes that might be necessary to cope with these stresses and strains.

3. **Quality and Standards:** The advent of a more diversified higher education system has led to a lengthy and agonized public debate on quality and standards. Trow argues that the growth and diversification of higher education, along with associated changes in pedagogy, require that society and its systems of higher education surrender any idea of broad common standards of academic performance between institutions and even between subjects within a single university. This surrender has been fiercely resisted in the U.K. where there has been a thriving, and sometimes acrimonious, debate over quality control and the enforcement of at least minimum threshold standards. The problem—although rarely articulated as such—is that if students gain their degrees with

widely varying levels of proficiency and attainment, then the meaning of the degree itself must change. The growth of diversity in the U.K. has led to a countervailing determination to narrow a band of permissible variability in levels of attainment. There has developed a massive "quality industry" to assure the output of the higher education system, but this in turn has been treated with deep suspicion by most of those in the academic profession (particularly in the older universities) who see quality control as a threat to academic autonomy. The shift from an elite to a mass system of higher education has therefore been accompanied by a shift from a connoisseurship approach to standards—"I know it when I see it"—to a more forensic approach—evidence-based quality control.

The introduction of this system of quality assurance control arises in part from the withdrawal of trust in professional self-regulation. In the mass higher education system, self-regulating connoisseurship soon becomes demystified as a legitimate form of quality control. As the system becomes larger and more diverse, quality has to become codified particularly because the system is now expensive and becoming more so, but also because individual national systems are increasingly benchmarked globally. While at one level this development can be seen as a straightforward trading standards issue with the degree as a commodity whose quality needs to be guaranteed, it also raises questions about autonomy, professional responsibility, and state control. While governments in the Western world have placed more faith in markets, they have placed less faith in professional self-regulation. Therefore, the present paradox in the U.K. is that the British university system is simultaneously underplanned and overregulated.

4. **Rise of Managerialism:** Perhaps a better way of phrasing this would be to borrow the title of A. H. Halsey's book, *The Decline of Donnish Dominion*. In a mass higher education system, traditional collegial self-governance becomes distinctly frayed around the edges. Institutional leadership tends to be characterized more in terms of the role of the chief executive rather than *primus inter pares*. To cope with the decline in real resources (see below), universities develop strengths and systems of line management while simultaneously cultivating a more entrepreneurial, expedient, and opportunistic frame of action as senior management strives to manage uncertainty and change. Senior management has become increasingly professionalized (albeit slowly and reluctantly in the U.K.), although the appropriate model for management in universities remains unclear.
5. **Declining Real Resources:** While governments may will the end of mass higher education, they rarely will the means. Growth in the system

is almost universally accompanied by declining real resources per capita student. This is because the economic forces driving the expansion of higher education are also those driving the desire to shrink the public sector. The end product is a kind of microcosm of the fiscal crisis of the state in respect of the provision of resources to the higher education sector. This outcome not only forces universities to cultivate alternative sources of financial support, especially in the private economy, but also produces a degree of convergence on private sector systems of management and organization—particularly those "post-Fordist" parts of the economy that lie in the service sector. However, many universities frequently experience a cultural lag. Most professional academics like to feel that their institution is "well managed"; nevertheless, "management" is still usually a pejorative term that makes some academics wince.

THE ROLE OF THE STATE

U.K. universities are, with one exception, in receipt of significant public funds. Yet they are, at the same time, legally independent private sector institutions. This inevitably creates tensions, but not necessarily conflict, between their requirement to account for the uses to which these public funds are put and their desire to retain their autonomy. The recent period of introspection in the U.K. has highlighted the danger of permitting funding to dominate a regime in which accountability is becoming contract or output oriented. The Dearing Committee was essentially set up to square the circle of increasing the size of the higher education system while decreasing its dependence upon the public purse. In many respects, the report has dealt with the symptoms rather than the cause. As a result, while universities are required to place emphasis on their response to market needs, the state (particularly in the form of its funding and monitoring agencies in the U.K.) continues to be highly intrusive.

One implication that might be drawn from this is that the government's interventionist approach in regulating quality control, value for money, etc. is a failure of trust in the self-governance of universities. It might also be regarded as an acknowledgment by government of the increasing importance of higher education in achieving economic competitiveness and social cohesion. Unfortunately, in the U.K., the recognition of this importance appears to go hand-in-hand with an increase in regulation.

What the Dearing Report has tried to achieve in the U.K. is a development of mechanisms that retain the fundamental autonomy of universities while rendering them simultaneously more accountable in their use of public funds. In many respects, the Dearing Report seeks to revive public and political trust in the British university system by explicitly advocating a compact between universities and their numerous stakeholders, whether employers, students,

users of research, or government. Such a compact would contain a variety of elements, including the following:

- lifelong learning
- regional economic regeneration and development
- the creation of the learning society
- scholarship and pure research across and within disciplines
- technological innovation
- social cohesion
- public accountability

It remains to be seen how far this compact can hang together. But one suspects that this agenda is not so different in most advanced societies at the present time and that there is equally a widespread recognition that the higher education system is simply too important to be left to academics alone. How this view can be reconciled with traditional, liberal conceptions of university autonomy as a bulwark *against* the state also remains to be seen.

This balance can be described as a "managed market." Where education is financed mainly by public monies, the universities retain control of their own affairs while operating within centrally defined and regulated parameters managed by the funding agencies. Many of the main management problems within higher education stem from the tensions inherent in the notion of a managed market. In the name of accountability or quality assurance, intrusion into the hitherto "secret garden" of the university world has become extensive and onerous. The interface between the state and the university needs to be rethought, but nostalgia for a mythical golden age of university autonomy needs to be removed. In the U.K. at least, there has been a widespread belief that recent changes in the higher education system are merely a passing phase, after which there will be "a return to normal." There has also been a reluctance to recognize that the only thing that is normal is change itself.

In the U.K., therefore, attempts to redefine the relationship between the universities and the state have not been successful. As successive governments have sought to limit the rise in public spending, the only long-term policy with regard to higher education has been the enforcement of resource constraints, termed in Great Britain, with typically English hypocrisy, as "efficiency gains." The only real long-term policy has therefore been to limit the burden on the taxpayer of an expanding higher education system. This alone has been sufficient to produce major changes in the quality of the student learning experience and, to take another example, the ability of university teachers to meet their aspirations to undertake research. Such a policy has also produced a number of other consequences, whether intended or unintended.

1. There has been an increasing trend towards utilitarianism. The funding of higher education has been linked to short-term economic goals, i.e., higher education is seen as a means rather than an end in itself. As a result, higher education has come under increasing scrutiny from *external* stakeholders demanding a demonstration of value for money. The *users* of the higher education system (e.g., employers) have thus acquired an increased stake in determining higher education priorities. However, the higher education system itself has paid insufficient attention to how links with the various potential actual users can be organized in a manner that is as systematic, rigorous, and robust as that which has traditionally been developed among colleagues within the sphere of "donnish dominion." The academic world remains suspicious of full engagement with the users of its services, fearing that such contact will inevitably corrupt the integrity of the academic enterprise. This may have prevailed in an era when the universities held a monopoly position over the production of knowledge. However, it is simply not a realistic possibility now or in the foreseeable future.
2. Arguments set out for the allocation of resources to higher education in this new context now veer alarmingly between higher education as an investment and higher education as a cultural good. In the U.K., there is much public discussion about the cost of higher education and relatively little about the return. This in turn is linked to a shift in emphasis towards measuring in specific terms the quantifiable benefits of expanding higher education—the impact of performance indicators, management by objectives, etc. Peer review has declined as a legitimate method for allocating resources and is being increasingly replaced by a form of merit review that uses ulterior measures of quality.

Although, much of the paraphernalia and even the vocabulary of modern management is used increasingly in universities, the reality can be somewhat different. For example, the vocabulary of the marketplace is often used but the situation in the U.K. does not correspond in any way to any known market. The *vocabulary* of the market is used essentially to describe the pattern of student demand. In all other respects, there is simply no market in the higher education system. The state, through its associated agencies (e.g., the Funding Councils) sets student numbers, allocates student places, controls budgets, allocates resources, and devises penalties for over- or under-success (see Ryder, 1996, pp. 54-55). All this is done in the name of limiting public spending and obtaining value for money through quality control. The reality is a fundamental mistrust of the market. For example, if, as has recently been the case in the U.K., demand for places in science and engineering is falling, the funding agencies have ordained (until very recently) that the number of places

should be sustained even if high quality students are hard to come by. On the other hand, in other subjects, such as law or medicine, where student demand is buoyant, the funding agencies have been reluctant to sanction a rapid expansion of places to meet revealed student demand. The end result bears an uncanny resemblance to central economic planning in 1950s Eastern Europe—all of this taking place using the vocabulary of market forces! This is not so much a managed market as the world of Gosplan, something which is neither a market nor properly planned. The Dearing Committee, while recognizing some of this, veered away from fully empowering students as consumers and allowing the market to clear. As Trow (1995) somewhat tartly observed, "the alternative ... is a heavier reliance on markets and competition, not yet in favor in most European countries" (p. 2).

NEW FORMS OF UNIVERSITY MANAGEMENT

It is often alleged that the trends referred to earlier in this chapter have produced an increasingly "top-down" style of management in universities. This may be true but it needs to be treated with a degree of caution. Anecdotes about the individual petty tyrannies of professors and heads of departments in universities are legendary and, if anything, many systems of university governance have become more open, transparent, and democratic today than in previous eras. Nevertheless, the sheer growth in size and complexity of the modern university has placed a greater reliance upon less face-to-face contact and more formal systems of management and control. Coffield (1995, p. 14) has, for example, argued that

> there has been a shift of power within universities *from* academics and *towards* administrators . . . . The need to respond quickly to a declining unit of resource and to the bureaucratic pressures created by the political insistence on "sharp accountability for results" (e.g. performance indicators in teaching and research, development plans etc.) have undercut one of the cherished traditions in British universities, namely collective self-government, and concentrated power in the hands of senior academic management.

This view is certainly widely held, but is perhaps somewhat exaggerated. As Coffield himself says elsewhere "collegiality is *not* appropriate for all decisions and academics are often wasting precious time on matters best dealt with by trained administrators" (p. 14). Academics have not, arguably, been particularly adept at surveying external trends, reexamining their assumptions and processes, and developing new practices and structures as a result.

This points to a lack of training for senior managers in higher education, particularly in the management of change. It also points to a lack of a widely

accepted management model that can be effectively applied in higher education. Too often when the term "managerialism" is employed, it is a kind of caricature of Taylorism—a rigid top-down model of line management adapted from traditional forms of manufacturing industry. This kind of "command and control" management is not only inappropriate for universities, but is scarcely used any longer in many branches of manufacturing industry and certainly not in branches of other knowledge-based service sector organizations towards which universities are increasingly converging (e.g., the media, publishing, leisure services, etc.). Here the introduction of relatively flat management hierarchies (what does this say for the status of the professor?) and a devolved system of budgetary control can be viewed as attempts to provide a framework in which the talents of creative individuals can be fully expressed to ensure the competitiveness of the company concerned. This is not too far away from an appropriate management model for the university—one in which the management function becomes almost a service function rather than a command function, seeking to guarantee a framework in which highly talented individuals can be motivated to realize their potential. What is lost here is not so much the sense of collegiality and self-governance as the erosion of traditional privilege. Donnish dominion was only ever enjoyed by a small proportion of the employees of a university. Has this really changed?

CONCLUSIONS

The governance of the university system is undoubtedly in a state of turbulence, the outcomes of which remain difficult to discern. From the point of view of many governments, the key task is to try to keep control of a system that actively *wants* to be out of control. However this implies that governments know what they want and in the U.K., at least, this is a rather dubious assumption. The current situation is full of irony and paradox: overregulation and underplanning, the rhetoric of diversity and the reality of convergence on homogeneity, the commitment to expansion and the reduction of cost. One could go on. From the point of view of the academic community itself, there has been a marked inability to diagnose contemporary trends and to engage in real politics. The academic community has not exactly distinguished itself by marshalling arguments that could call upon widespread public support. The public at large remains alternately indifferent towards and hostile to the many privileges granted to higher education in comparison with other parts of the education sector. The academic community, too, has been ambivalent about the extent to which the growth of the higher education sector should be accompanied by an explicit hierarchical ordering of institutions. The term diversity has often been the euphemistic cloak to disguise this. Everyone in the U.K. is in favor of further diversity in higher education, but history tells us that

the English, in particular, have a genius for converting diversity into hierarchy. As the system has expanded so has it differentiated; as it differentiates, it is more than likely that it will become more hierarchical. The situation already is tacitly accepted, but it is not explicit. Meanwhile, students and their parents are left to struggle to make sense of a tacitly hierarchical system that publicly speaks only in the vocabulary of diversity.

The Dearing Report was an opportunity to tackle some of these issues; but dominated by the sheer political necessity of finding a solution to the conundrum of the public funding of universities, it ducked many of the longer term, structural issues. To be fair, the committee seems to have recognized this itself. It contains the curious recommendation that a further inquiry be conducted in five years' time. In my view, this will be necessary. As the U.K. still seeks to come to terms with the rapid shift from an elite to a mass higher education system, many of the inherent tensions remain unresolved. Changes in structure, and not just in practice, are inevitable in my view. No activity takes place in the university that cannot, and does not, take place elsewhere. If the university sector does not itself come to terms with the new world in which it finds itself, the alternative may be the end of the university as we know it.

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