Changing Internal Governance: A Discussion of Leadership Roles and Management Structures in UK Universities

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Abstract

A series of reviews over the past six years – from Dearing (NCIHE, 1997) to Lambert (Lambert, 2003) – have addressed the question of whether the structure and process of ‘governance’ in higher education is fit for modern times. This is a proper question to ask as operating environments change and pressures on institutional resources increase. Indeed, it is not coincidental that both the recent government-sponsored reports and those of the previous decade (Jarratt, 1985; NAB, 1987) were associated with significant financial changes in the sector. There are further parallels in that both the reports of the 1980s and those of the later period heralded legislative changes that produced – or will produce – new patterns of higher education provision in the UK (Education Reform Act, 1988; Further and Higher Education Act, 1992; Higher Education Act, 2004).

The messages from the reports and White Papers (DES, 1987; DES, 1991; DfES, 2003) published in this twenty-year period have remained broadly similar, even though the wider environment has altered significantly. ‘Increase efficiency, find new sources of income and improve performance across an ever-widening range of activities and services’ have been the watchwords of successive governments. Given the consistency of the message, it is useful to analyse the changes that universities have been making to meet these requirements and to consider what further changes may be needed in the light of new external challenges. The first part of the paper offers a historical perspective before addressing the evolution of leadership roles and management structures from the late 1980s. The second part considers some of the current drivers of internal and external change before discussing the kind of changes in internal gov-
ernance that are emerging and that should be considered for the future. I conclude by arguing for a shift in focus from structure and roles to people and processes in the task of leading change in universities.

A note on terminology

Unless otherwise indicated, the term ‘internal governance’ is used to embrace internal management structures, decision-making arrangements and leadership roles and the relationship between these internal functions and the role of governing bodies.

Historical perspective

The Lambert Review of Business-University Collaboration (2003) singles out the Universities of Oxford and Cambridge for special mention in relation to the need to modernise internal governance if these institutions are to retain their position as world-class universities. There is symmetry therefore, in using Tapper and Salter’s study of Oxford, Cambridge and the Changing Idea of the University (1992) as an initial point of reference for examining the historical context of changes in internal governance. These authors contend that the British higher education system has been strongly influenced by the values that have infused the Oxbridge model of the university, namely ‘the tradition of university autonomy and donnish domination of the affairs of the university’ (p. vi). However, they also argue that with a move towards a more differentiated system, which was an emergent aim in the early 1990s, Oxbridge should not continue to act as a model for the rest of the system. By 2004, that emergent aim is a clearly expressed policy direction – in terms of national and regional, as well as institutional differentiation – so it is timely to consider alternative models to those inherited from ancient traditions.

Tapper and Salter chart a shift in the balance of power between universities and the state from 1919 when the University Grants Committee was set up to determine and allocate the flow of monies to the universities. Their discussion of financial, operational and legislative changes affecting the universities is linked to a deeper analysis of ideological change. This analysis is not only important in relation to an understanding of the changing operating environment; it also offers a rationale for different forms of internal governance. Inevitably, such ideological changes have not been linear in direction or uncontested and this dynamic is reflected in the variety of parallel or even conflicting
arrangements for internal governance that exist in higher education today.

The liberal Oxbridge ideal, forged in the second half of the nineteenth century, was concerned with the pursuit of knowledge for its own sake, including the production and transmission of knowledge. This ideology represented a broad political consensus at the time about the place and role of universities in society and was shared within universities and more widely among the social and political elite. The liberal ideal was linked both to the constitutional position of universities and to their internal operations. In constitutional terms, university autonomy and academic freedom were ‘an essential pre-condition for the disinterested search for knowledge and for the preservation of those values on which a civilised society depends’ (Tapper and Salter, ibid, p. 11). The model of internal governance that supported this position was one in which academic authority was supreme, expressed operationally in terms of management and decision-making through committees, with senior academics chairing the committees. The purpose of the committees was to achieve consensus about the direction and functioning of the institution across the range of different academic interests, and to maintain this over time. Thus committees needed to represent the range of disciplines and academic functions, to have overlapping membership so as to co-ordinate across functions and to have a turnover of office-holders. The aim was for procedures to be orderly, judgements to be carefully weighted and broad consultation to be undertaken. Decision-making was essentially slow-moving (Tapper and Salter, ibid, p. 48). As the authors point out, this form of governance was consistent with an academic culture that emphasised rationality and involvement in decision-making. There was also a degree of ‘fit’ with a relatively stable and supportive external environment.

The liberal ideal in its purest form emphasised the intrinsic value of learning as distinct from learning for instrumental and vocational purposes. An economic ideology that has gained increasing ground since 1945 instead saw education as an economic resource to be deployed to support the country’s industrial development. As such, it was a direct challenge to the hegemony of the liberal ideal. In practical policy terms, an initial solution in 1965 was to create different kinds of institutions – the polytechnics – to provide vocational, professional and industrially relevant courses in higher education that were different from ‘academically-driven’ courses. This public sector was to be separated from the universities and directly responsive to social needs. Tapper and
Salter argue that this political step was not only significant in terms of its socio-economic aims but also because it legitimised state intervention in higher education (ibid, p. 15).

Two other intermediate dynamics form part of the overall picture of educational change painted by the two authors. The first is the bureaucratic dynamic reflected in the various mechanisms used by the state to persuade universities to conduct their affairs in accordance with government requirements. Periodic legal interventions through the Royal Commission and Statutory Commissioners used in the later 19th and early 20th century gave way to more permanent and continuous intervention mechanisms. The first of these mechanisms was represented by the UGC and the Research Councils; the former evolving subsequently into the present Funding Councils. From 1990, quality assurance provided another form of intervention through the various manifestations of the Quality Assurance agencies. From 1964, the UGC and Research Councils came under the overall umbrella of the Department of Education and Science. The relationship with the universities was turned into an administrative and financial one ‘where the exercise of power was unclear and dominated by ideological considerations’ (Tapper and Salter, ibid, p. 7). Since this early period, the exercise of power by government has become progressively clearer and sharper, as can be seen through analysis of the increasingly directive tone of the funding letters between the Education Departments and the funding bodies and between these bodies and the higher education institutions.

The second dynamic noted by Tapper and Salter is that of party politics. Their historical analysis points to the Labour Party’s growing belief from the 1950’s onwards in science and technology as essential ingredients of economic growth. This belief was coupled with an analysis of universities (and Oxford and Cambridge in particular) as elitist and socially divisive institutions. A renewed commitment to lifelong learning, evident by the 1980s, was also important for this party. These beliefs created an impetus for the reform of higher education, the trajectory of which leads straight to the present day.

The Conservative Party’s reform agenda for education had different roots. Emerging in the late 1960s, the New Right argued for the creation of a social market (initially linked to secondary schools) where consumer choice could operate unfettered by state controls or professional resistance by teachers. The creation of such a market, it was argued, would help to drive up standards since educational producers would have to compete for business from consumers. These ideas were present
in the election manifestos of 1974 and 1979, but were not applied directly to universities until the mid-1980s. At this point, links were made between the operation of student choice, demand for higher education and the needs of the economy (Mason, 1986, quoted in Tapper and Salter, ibid p. 30). Market mechanisms would not only serve students well, it was suggested, they would also remove the need for the bureaucratic apparatus of the DES and UGC that sought to project student numbers and attempted to point students towards areas of perceived economic need. The conflicts and tensions between a free-market perspective and a bureaucratic, planning and accountability-framed perspective remain to this day with strong supporters and opponents inside and outside the sector.

The significance of such an ideological analysis to a discussion of internal (and indeed external) governance structures rests on a series of linked points that remain valid (Tapper and Salter, ibid, p. 8). The first proposition, now wrapped up in the rhetoric of the knowledge society, is that universities and colleges lie at the core of social, cultural and economic activity by virtue of their teaching, research and wider service functions. Speaking recently to an international audience about higher education reform in the UK, a senior official from the DfES stated the position clearly. ‘The changes we have underway . . . are driven partly by a recognition of the central role of the universities in the modern advanced economy . . . partly by a desire to achieve greater social justice . . .’ [and partly by a sense of fiercer global competition – a new element in the operating environment of today] (Sanders, September 2004 at IMHE/OECD conference in Paris).

The second proposition is that institutions have a power-base that is closely connected to the knowledge-status hierarchy in society in that they offer key routes to qualifications, play a major role in creating and legitimating knowledge and are closely involved in the development and spread of ideas and technologies. While the context of the late 20th and early 21st century has arguably had an impact on this power-base (which is discussed later) it has not been fully eroded.

Thirdly, institutions are autonomous and self-governing. The state, Tapper and Salter suggest, cannot directly effect real change in higher education practice and behaviour through bureaucratic, financial or legislative mechanisms alone, despite clear attempts to do so. Instead, sufficient ideological legitimacy inside and outside institutions has to be developed in support of the direction of proposed change. Change strategies also need to address the core functions of the institution since these are the locus for achieving wider socio-economic goals. And these
core functions have traditionally been enmeshed with strong cultural values and enshrined in specific forms of internal governance.

Other writers such as Shattock and Berdahl (1984), Taylor (1987) and Wagner (1995) have emphasised economic, social and structural drivers as the basis for change in higher education over a 20–30 year time horizon to the mid-1990s. These analyses are no less important. Tapper and Salter’s analysis has been used here because of the clear links that these authors make between ideas and ideology, internal culture and governance. Their analysis also highlights the complex dynamics and time-scales involved in achieving educational change.

The universities were not alone in experiencing a changing relationship with the state that was associated with changes in internal organisational structures and operations as well as the creation of external intervention mechanisms in the form of new agencies. Hood (1991) and others (Exworthy and Halford, 1999) have also pointed to the ideologies and policies of the New Right and New Left as a source for the emergence of ‘New Public Management’ (NPM) ideas and practices. Other writers (Broadbent et al., 1997) identified similar political philosophies as having an impact on the relationship between professionals, the state and professional organisations. Pollitt’s analyses (1990, 2003) extend the picture beyond the UK by noting the emergence and spread of NPM philosophies and practices to many countries from the USA and UK to Canada, Japan, Jamaica, the Netherlands, New Zealand, Tanzania and Thailand. Pollitt describes the key elements of NPM as:

- A shift in the focus of management systems and efforts from inputs and processes towards outputs and outcomes.
- A shift towards measurement and quantification, especially in the form of ‘performance indicators’ and/or explicit ‘standards’, and away from ‘trust’ in professionals and experts.
- A preference for more specialized, ‘lean’, ‘flat’ and autonomous organizational forms rather than large, multi-purpose, hierarchical ministries or departments.
- A widespread substitution of contracts (or contract-like relationships) for what were previously formal, hierarchical relationships.
- A much wider-than-hitherto deployment of markets (or market-type mechanisms) for the delivery of public services and use of mechanisms such as competitive tendering.
- An emphasis on service quality and a consumer orientation (thus extending the market analogy by redefining citizen-users of public services as ‘consumers’).
A broadening of the frontiers between the public sector, the market and the voluntary sector (for example, through the use of public-private partnerships and/or contracting out).

A shift in value priorities away from universalism, equity, security and resilience, towards efficiency and individualism (Pollitt, 2003, pp. 27–28).

In the next section, I examine the effect of this external climate on internal governance in universities.

**Evolution of leadership roles and internal structures**

In the mid-1980s, direct external efforts were made to effect changes in the internal governance of institutions. The Jarratt Report (1985) and the Report of the National Advisory Body (1987) were visible manifestations of these efforts. They sought to bring industrial and business management structures and decision-making processes into the higher education sector in order to create greater efficiency and effectiveness in the operations of universities and colleges. At the same time, from 1981, the UGC began its period of re-structuring with cuts in public funding to universities. Sizer (1987) in his study of universities’ responses to these financial reductions points to the need for high quality managers of change and for positive and decisive leadership. Taylor (1987) notes the impact on specific academic roles: ‘Greater efficiency and effectiveness are seen as requiring leadership of a kind to which universities were unaccustomed in the days of plenty. Resource constraints have increased power at the centre not only of systems, but also of institutions. Rectors and Presidents and Vice Chancellors, as well as Deans and Departmental Heads, are being called upon to exercise new responsibilities for which they may not feel themselves well fitted by previous experience’ (p. 24).

In the context of a shifting relationship between universities and the state, Middlehurst (1991) undertook a detailed study of the changing roles of university leaders and managers, recording the kinds of internal changes that were affecting the (pre-1992) universities and the perceptions of these changes among senior staff. While universities during this period maintained the parallel structures of ‘administration’ and ‘academic policy-making and leadership’ that were brought together through the committee system, the direction of travel was towards ‘academic leadership and management’, a streamlined committee system and from administration towards stronger executive management (see Middlehurst and Kennie, 1995).
Table 1 indicates the kind of changes that were being implemented internally and provides examples of their perceived impact as reported by respondents.

Soon after this period, in 1992, further structural changes were effected in higher education through the removal of the binary line. The polytechnics became universities, almost doubling the number of universities overnight. This change was accompanied by a significant expansion of student numbers that was only temporarily interrupted in the mid-1990s. The movement of polytechnics from local authority control to independence as new universities brought a different approach to internal governance into the higher education sector. These institutions, legally constituted as higher education corporations, adopted management structures that were closer to the corporate sector. While they typically maintained a ‘deliberative’ structure of committees, they also adopted an executive management structure. The post-1992 universities did not inherit an administrative ‘Civil Service’ like that of the pre-1992 universities. Instead, management roles such as Head of Department or Dean combined academic and administrative responsibilities and were permanent appointments, advertised externally and available internally.

### TABLE 1

<table>
<thead>
<tr>
<th>Nature of change</th>
<th>Focus</th>
<th>Impact reported</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structural</strong></td>
<td>• Creation of new units and posts</td>
<td>• New posts: Planning Office, Staff Training Unit</td>
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<td></td>
<td>• Reduction and re-focusing of committee terms of reference and accountability</td>
<td>• Planning and Resources Committees created – joint Senate and Council membership</td>
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<tr>
<td></td>
<td>• ‘Corporate’ governance</td>
<td>• Council as supreme governing body over Senate</td>
</tr>
<tr>
<td></td>
<td>• Senior Management Teams emerge</td>
<td>• From historic to formulaic resource allocation, tighter financial controls and devolution of responsibility for budgets</td>
</tr>
<tr>
<td><strong>Systems and procedures</strong></td>
<td>• Resource allocation methodologies</td>
<td>• Auditing processes strengthened</td>
</tr>
<tr>
<td></td>
<td>• Planning procedures</td>
<td>• Staff training and development strengthened</td>
</tr>
<tr>
<td></td>
<td>• Management information systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Appraisal systems</td>
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</tbody>
</table>
### TABLE 1
Continued

<table>
<thead>
<tr>
<th>Nature of change</th>
<th>Focus</th>
<th>Impact reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roles and responsibilities</td>
<td>• Clarifying executive responsibilities (eg VC as CEO &amp; Chief</td>
<td>• Sharper external accountability</td>
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<td></td>
<td>Accounting Officer)</td>
<td>• Increased management responsibilities and potential time conflicts with academic roles</td>
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<tr>
<td></td>
<td>• New responsibilities for academic Deans and HoDs</td>
<td>• Changes in administrator roles</td>
</tr>
<tr>
<td></td>
<td>• New specialisms emerge (eg Enterprise Officers)</td>
<td>• Pro-Vice Chancellors take on wide-ranging strategic-level portfolios</td>
</tr>
<tr>
<td>Patterns of appointment</td>
<td>• Selection and appointment processes</td>
<td>• Move from election by colleagues to selection by senior management</td>
</tr>
<tr>
<td></td>
<td>• Terms of office</td>
<td>• From rotating to fixed term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Management and leadership abilities added to professional criteria for promotion</td>
</tr>
<tr>
<td>Power and authority</td>
<td>• From committees to individual ‘executive’ responsibility</td>
<td>• Tensions perceived between academic and administrative authority</td>
</tr>
<tr>
<td></td>
<td>• From academics, towards administrators as professional managers</td>
<td>• Devolution from centre to academic units begins in many institutions</td>
</tr>
<tr>
<td>Training and development</td>
<td>• Management and leadership development promoted</td>
<td>• Skills’ deficits identified</td>
</tr>
<tr>
<td>Culture</td>
<td>• Some systematic attempts to address culture change (enterprise agenda, quality agenda)</td>
<td>• Negative attitudes to ‘imposed’ management training reported</td>
</tr>
<tr>
<td></td>
<td>• Shift from ‘administration’ to ‘management’</td>
<td>• Emerging ‘managerialism’ in universities noted with resentment</td>
</tr>
<tr>
<td></td>
<td>• Separation of policy development from execution</td>
<td>• ‘Leadership’ apparently less controversial for academics than management roles and duties</td>
</tr>
</tbody>
</table>
through promotion. In contrast to the traditional universities where management was an additional and often unwelcome burden for academics, in the new universities it was a sign of status, authority and responsibility. This is not to say, however, that all academic staff welcomed this approach to internal governance; negative perceptions of a growing ‘managerialism’ were not confined to the traditional universities (Deem et al., 2001).

McNay (1995) offers an interesting analysis of shifting organisational cultures to illustrate movement towards different patterns of internal governance in higher education and the deeper ideological implications of this movement. His four idealised cultures are the collegium, bureaucracy, corporation and enterprise. He links each to certain key words and concepts. ‘Collegium’ is associated with freedom from external controls and academic autonomy. ‘Bureaucracy’ is linked to regulation, consistency of treatment, due process and standard operating procedures. The ‘corporate’ culture is associated with power through executive authority with a separation of roles between managers and ‘professionals’. Finally, the key word linked to ‘enterprise’ is ‘client’ with an emphasis on decision-taking that is located close to the customer. McNay notes that all four cultures co-exist in institutions, but the balance between cultures differs. He contends that in the mid-1980s to 1990s, the pre-1992 universities were shifting in structural and cultural terms from ‘collegium’ towards ‘bureaucracy’ and ‘corporation’ while the post-1992 universities were moving from ‘bureaucracy’ to ‘corporation’. Both types of institution also contained elements of enterprise; these McNay suggested would grow stronger given developments in the external world that were emerging in the 1990s. Table 2 provides examples of the characteristics of these model cultures that are relevant to different aspects of internal governance.

Recent and current drivers of internal and external change

Other writers share McNay’s view that an ‘enterprise culture’ was emerging in universities. Burton Clark (1998) made a detailed study of the organisational changes made in five European universities as they sought to forge ‘an entrepreneurial pathway’ in the light of developments in the external environment. Clark argues that the developments in the last quarter of the twentieth century – which are affecting universities around the globe – mean that higher education ‘has entered a time of disquieting turmoil that has no end in sight’ (Clark, 1998, p. xiii). His conclusions are based on a combination of factors. These include: the
expansion of student demand from more and different types of students, the increasing need for competent and highly specialized graduates for knowledge-based enterprises, the growing expectations of governments for universities to contribute more directly to solving social and economic problems (at lower unit cost) and the exponential growth of international research and technology transfer. Clark goes on to describe in powerful terms the dynamic of the ‘demand-response’ imbalance whereby knowledge growth outruns national resources, increased and widening demand from many stakeholders creates overload for institutions, and universities struggle to have the capacity and capabilities to respond.

A changing external environment is the focus of other recent studies that have concentrated respectively on transformations in the world of science and research (Gibbons et al., 1994) and in teaching and learning (Cunningham et al., 1998 and 2000; CVCP, 2000). In both cases the authors point to potential paradigm shifts; in research, from Mode 1 to Mode 2 forms of knowledge production and from traditional campus-based education to ‘the business of borderless education’. The different authors argue that these shifts will have a profound effect on the core business of universities and colleges. An underlying driver is the growth of competition as well as new forms of collaboration from a wide

<table>
<thead>
<tr>
<th>Factor</th>
<th>Collegium</th>
<th>Bureaucracy</th>
<th>Corporation</th>
<th>Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy definition</td>
<td>Loose</td>
<td>Loose</td>
<td>Tight</td>
<td>Tight</td>
</tr>
<tr>
<td>Control of implementation</td>
<td>Loose</td>
<td>Tight</td>
<td>Tight</td>
<td>Loose</td>
</tr>
<tr>
<td>Dominant unit</td>
<td>Department/ Individual</td>
<td>Faculty/ Committee</td>
<td>Institution/ Senior Management Team</td>
<td>Sub-unit/ Project Teams</td>
</tr>
<tr>
<td>Decision arenas</td>
<td>Informal groups and networks</td>
<td>Committees and administrative briefings</td>
<td>Working parties and Senior Management Team</td>
<td>Project Teams</td>
</tr>
<tr>
<td>Management and Leadership Style Administrator Roles:</td>
<td>Consensual and Participatory</td>
<td>Formal/ rational and representative</td>
<td>Political/ Tactical</td>
<td>Devolved and distributed leadership</td>
</tr>
<tr>
<td>Servant of . . .</td>
<td>The Community</td>
<td>The Committee</td>
<td>The Chief Executive</td>
<td>The Client and Stakeholders – Internal and External</td>
</tr>
</tbody>
</table>

(adapted from McNay, 1995, p109)
range of organisations nationally and internationally in the key functions and processes of knowledge creation and dissemination. The heart of the universities’ power-base is being challenged from different directions. For example, the universities are no longer sole players in offering key routes to qualifications (see for example, Adelman’s study of the certification system in Information Technology (Adelman, 2000). Nor are they alone in creating and legitimating knowledge or in developing and spreading ideas and technologies as the proliferation of think-tanks, consultancies, brokers, lobbying agencies and interest groups, supported by developments in communication and information technologies, illustrates. Since universities’ internal governance arrangements are closely linked to their core activities and their value-base (as discussed above) it is unsurprising that this challenging external environment should lead to questions about internal change and indeed, to broader questions about the whole shape and purpose of universities (Brennan et al., 1999).

In addition to the wider global context, local shifts in government policy add to this picture of change, choice and complexity. Recent developments include the decision, in England, to charge higher tuition fees to home and EU students, the creation of a new regulator to monitor access and widening participation arrangements (Higher Education Act, 2004) and the intention to increase student participation rates from approximately 44% to 50% among 18–30-year olds by 2010. Such developments reveal the continuing evolution of social and market ideologies.

Outside higher education there are further clues to the kind of external context that is likely to be relevant to universities in the future. A two-year national inquiry into leadership and management structures, practices and development (CEML, 2000) produced a range of studies on requirements for change in the UK in large and small organisations, the professions and business education. One report examined a series of ‘futures’ studies’ to identify the external drivers of change for business and organisations and their implications for organisations in general and for leadership and management in particular (Tate, 2000). Several of the features of the future landscape for business are already visible in higher education, notably:

- global mobility of goods, services, capital and information
- a continued blurring of boundaries between businesses and sectors
- the emergence of new competitors and increasing collaboration across organisations

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• the growth of cross-border virtual businesses – causing headaches for national and international regulation
• greater efficiency as IT drives time and cost out of transactions with speed to market increasing
• more demanding and discerning consumers
• growth in expert systems and new intermediaries to assist consumers with an expanding range of choices and options.

These features, Tate reports, have implications for the nature and form of organisations and for leadership and management practice (see Table 3). While these features are not uncontested, they offer an indication of the kinds of issues that universities are likely to need to consider in reshaping their internal governance arrangements.

Patterns of internal governance

It is clear from these analyses that the operating environment for universities will remain volatile, complex and increasingly demanding at all levels of the institution. There is a need for strong strategic capacity, integrated management systems, swift and flexible decision making capabilities and dispersed leadership throughout the organisation. The idea of the entrepreneurial and adaptive university remains a relevant model, so it is worth looking more closely at Clark’s original analysis (1998).

Clark identified a number of defining features in the internal governance arrangements and culture of the five higher education institutions in Europe that he studied. These included: a strengthened steering core, an extended developmental periphery, a stimulated academic heartland, a discretionary funding base and an entrepreneurial belief. The first three of these are particularly useful as a framework for thinking about internal governance; to what extent are these features present in UK institutions? I present evidence from two sources. The first is an informal analysis of job advertisements and job descriptions for senior academic, administrative and research posts in UK universities; the advertisements appeared in the Times Higher from July 2003–July 2004. The second source is experience of leadership and organisational development in a range of UK universities in a similar period (but with a longer track record). Management and decision-making structures, leadership roles and institutional cultures are central topics within individual and organisational development programmes. However, there is a strong need to undertake formal empirical research to test the validity of this evidence.
### TABLE 3
Features of future landscape

<table>
<thead>
<tr>
<th>Organisation Management and Leadership</th>
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<tbody>
<tr>
<td><strong>Hierarchical power:</strong> More fluid structures arising from decline in deference and increased informality. Lateral communication matters more than vertical.</td>
</tr>
<tr>
<td><strong>Structural forms:</strong> Flatter structures enable quicker responses in more complex, less predictable environments. Virtual organisations increase and there is more variety in organisational forms.</td>
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<tr>
<td><strong>Outsourcing:</strong> Concentration on core activities. Outsourcing of non-core activities continues.</td>
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<tr>
<td><strong>Projects:</strong> Semi-autonomous groups, linked by networks, come together in temporary combinations to undertake work.</td>
</tr>
<tr>
<td><strong>Workforces and workplaces:</strong> More varied and flexible. Identities linked increasingly to virtual communities with own shared culture and values.</td>
</tr>
<tr>
<td><strong>Accounting and measurement:</strong> Interest will continue to grow in adopting meaningful metrics and standards for ‘soft’ intangible assets.</td>
</tr>
<tr>
<td><strong>Legacy assets:</strong> Many products, processes, buildings, organisation structures and personal skills will turn from assets into liabilities.</td>
</tr>
<tr>
<td><strong>Governance and accountability:</strong> Increasing transparency. Critics more educated, informed, trans-national and vocal. Pressure exerted by stakeholders to keep business honest and accountable in holistic way.</td>
</tr>
<tr>
<td><strong>Stakeholder relationships:</strong> More dialogue about what business stands for, what constitutes responsible behaviour and the basis for success. Partnership arrangements increase with standards and codes for explicit reporting on these relationships.</td>
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<tr>
<td><strong>Social responsibility:</strong> Employers expected to encourage fairness at work, promote lifelong learning, trade ethically and promote environmental sustainability.</td>
</tr>
<tr>
<td><strong>Loss of respect:</strong> Big corporations, government and institutions will continue to feel public scepticism and criticism along with regulation and more competition.</td>
</tr>
<tr>
<td><strong>Leadership:</strong> Leading large organisations becomes more difficult and burdensome with growing complexity, excessive data, higher public expectations, conflicting pressures, social changes, media gaze, criticism and compliance codes. Inherent attractiveness of top roles may decline as pressure and stresses rise.</td>
</tr>
<tr>
<td><strong>Decision making:</strong> Complex issues will be decided upon with involvement of networks of managers, regulators, elected officials, pressure groups, consumers, scientists and innovators. Excessive data, increased transparency and the power of well-informed critics will affect decision-making.</td>
</tr>
</tbody>
</table>

(Source: Tate, 2000)
Strengthened steering core

There are a number of ways in which the ‘steering core’ of the university is being strengthened with different institutions choosing their own routes. The first method is to strengthen the role of Vice Chancellor or Principal. Advertisements and job descriptions increasingly emphasise the roles of Chief Executive, Chief Accounting Officer and ‘Chief Architect’ of the strategic vision and positioning of the institution. They seek a track record in leading strategic change in the same (or parallel) large, multi-million pound businesses. In one or two cases, the title of Vice Chancellor is also changing to ‘President’, ostensibly under the twin pressures of international recognition of the status of this position and in response to new demands for significant fund-raising capabilities as part of the role. The latter requirement also carries a suggestion (see Thomas Report, 2004) that the role of Vice Chancellor is split between two roles, one external (the President) the other internal (in the form of a ‘Provost’ or ‘Chief Academic or Operating Officer’).

The terms of office for Vice Chancellors appear to be getting shorter (typically five-year renewable terms, although this is not universal) and there is also some evidence of movement between institutions among experienced post-holders either within the UK or between the UK and other countries. Further diversity of post-holders in this role remains a proposition for the future: the numbers drawn from other sectors, from ethnic minority backgrounds or who are female are still small or non-existent.

Other strengthening factors include the creation of Deputy Vice Chancellors as full-time, permanent or fixed-term appointments in both pre and post-1992 institutions. This role may include line management responsibilities for Heads of School or Deans of Faculty. In addition, a range of other roles is being incorporated into Senior Management Teams including that of Pro Vice Chancellor, Assistant Vice Chancellor, Executive Dean or Head of Division or College. While many pre-1992 universities continue to operate the Pro Vice Chancellor position as a rotating and part-time post, others are moving towards fixed-term, full-time and permanent appointments. The kinds of portfolios carried in these positions are widening beyond the traditional areas of Teaching and Learning, Research, Resources, Libraries and Information Services and Estates to include External and Community Relations, Knowledge Transfer and Enterprise, Partnerships, Advancement, and Human Resources. Although recruitment to these posts is typically from the academic community (either internally or externally recruited) there are
examples of post-holders who have risen through the administrative ranks. Indeed, where the role of Deputy or Pro Vice Chancellor is a full-time management post, it may replace or change the functions of the traditional role of Registrar and Secretary as the Head of the ‘Administration’ (notably in the pre-1992 universities). A new role of ‘Director of Corporate Services’ or similar, may be emerging, mirroring arrangements that already exist in some continental European universities. The recruitment for this position, as well as a range of specialist professional roles such as Director of Development, Marketing and Public Relations, Finance and Human Resources, is increasingly likely to be from outside the higher education sector.

To complete the picture at the level of individual roles and posts, other themes are visible. Directors of Finance and Human Resources are now usually key members of the Senior Management Team, although institutions have been slower to recognise the strategic role of the ‘people side’ of their business than the financial side. In post-1992 and some pre-1992 institutions, there are also several different layers and types of ‘senior management team’ emerging. At the ‘top level’ the key corporate functions of Planning, Estates, Finance, Human Resources, Learning and Information and Corporate Services are likely to be represented as well as the academic functions of teaching and learning, research and enterprise. At the next level, a wider group of senior managers are represented including heads of academic and service functions. In addition, in some institutions lateral ‘management teams’ are being created that bring together people with responsibilities for core processes that go across functional lines, both vertically and horizontally. These include, for example, senior teams responsible for ‘academic affairs’, ‘student affairs’ or ‘external affairs’.

*Stimulated academic heartland*

In Clark’s terms, the stimulated academic heartland of the universities he studied consisted of focused engagement with an entrepreneurial agenda at the departmental or faculty level and selective growth in some departments and basic units. My focus differs since it concerns roles and structures. From this stance, it is clear that larger academic units are being developed for a variety of reasons (for example, creating increased research power, synergies in new inter-disciplinary areas and economies of scale in terms of infrastructure costs). These larger units are both the academic and income-generating heartland of an institution.

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New roles are being created to head up these larger units: Executive Deans, Heads of Division, Heads of Colleges. These roles are often policy-generating and executive in two directions – at the strategic university level and in relation to the direction and operations of a particular academic area. These areas may be discipline or cross-discipline based (Engineering or Health Sciences) or have a different orientation (UK and EU activities, International activities). To assist in running these larger units, some institutions have created professional service roles in finance, human resources, research and enterprise, and marketing. These functions may be line-managed by a general manager (and may operate in a matrix structure with other management lines to the relevant central units). Within this academic heartland, different posts and career directions are emerging, for example for ‘academics’ (undertaking teaching and research) and ‘researchers’, seeking to follow a professional research track. Reporting lines may be slightly different, for example to a Head of Department in the former case or a Research Director in the latter.

At the individual level, as pressures for enhanced performance increase alongside pressures to diversify educational products and services for a variety of clients, there is likely to be an increasing need to focus and specialise. As a consequence, in some institutions, serious attention is being given to the potential for creating different ‘career tracks’. At an academic level these may lead towards the position of ‘Research Professor’, ‘Enterprise Professor’ or ‘Teaching Professor’.

Extended developmental periphery

The development periphery, according to Clark, is often where new structures and roles emerge first to meet new service requirements. His examples included outreach administrative units and inter- or trans-disciplinary research centres that may be linked either to the strengthened steering core or to the academic heartland or to both. In some cases, these units can be large, encompassing a number of new roles – a Business Liaison Unit with Business Liaison or Partnership Managers, a Research Support and Commercialisation Executive, an Outreach Office with Outreach and Widening Participation Officers. These posts are designed to make links between academic units and outside businesses or communities and require a range of skills that may not reside in other parts of the institution. In other cases, these units provide the infrastructure to support consultancy and technology transfer activities creating new posts and further specialisms (in contractual arrangements or intellectual property). At senior levels, new posts may be either part
of the ‘top’ or ‘senior’ management group, for example Head of Regional or International Operations. Clark argues that the development periphery plays many roles in the enterprising university including bringing in new modes of thinking and problem-solving across several boundaries to create the ‘distributed university’ (Scott, 1997).

The ‘development periphery’ may be internal or quasi-external and involve support or direct delivery of products and services. Examples of internal units include the growth of centres of educational development, academic practice, e-learning, quality enhancement, staff development, institutional research and organisational development. Those that are quasi-or fully external may include continuing education, professional development, business liaison or lifelong learning. These units are developing new capabilities and recruiting professionals, managers and leaders from inside and outside higher education. There is clear potential for creating collaborations and partnerships across the boundaries between the heartland and the periphery to meet the needs of new or existing clients and markets and indeed, to create similar lateral relationships and cross-organisational roles between the university and other organisations.

Looking forward

Diversity is already a strong feature of the UK system. Drivers such as greater regionalisation, international competitiveness and enhanced market responsiveness mean that diversity is unlikely to diminish, despite funding or quality levers that seek to ‘manage the national risk’ associated with institutional entrepreneurialism. It is not likely therefore that there will be one single solution to the problem of what kind of internal governance is ‘fit for modern times’.

The Lambert Report points towards stronger corporate sector models, favouring executive management structures (over committees), a stronger Board of predominantly lay governors, stronger performance targets and key performance indicators, financial robustness and ‘penalties’ for market failures. Clark, on the other hand, in his latest book, argues for an approach to ‘Sustaining Change in Universities’ that is grown organically from university ‘entrepreneurialism’. It is an approach that works with the grain of existing values. It includes ‘transforming elements’ and ‘sustaining dynamics’ to create a steady state of institutional change (Clark, 2004, p. 174).

The first transforming element is a broad portfolio of funding sources, the diversified funding base. A reduction of dependence on state funding
sources is key to an institution’s ability to be flexible and adaptable; it is also a necessary condition for the exercise of autonomy in current and future operating environments. Aligning the strengthened steering core, is the second element. This involves creating an administrative backbone at all levels of the institution and shared governance arrangements. The administrative role is to help raise income and support innovation as well as to establish appropriate disciplines of cost and quality control. Clark calls for ‘professionalized clusters of change-oriented administrators’ working in partnership with academics and not at their service as in the past, arguing that ‘maturing entrepreneurial universities develop a bureaucracy of change as a key component of their character’ (Clark, ibid. p. 176).

The third feature is the extended developmental periphery where there is a rich mix of new units, roles and structures from interdisciplinary and trans-disciplinary research units to outreach teaching centres with parallel administrative units or ‘supporting tribes’. This development periphery may be integrated closely with the ‘heartland departments’ or be more independent, perhaps on the model of Melbourne University and Melbourne Private, or of LSE and LSE Enterprises. The fourth element is entrepreneurialism in heartland departments. These dynamic ‘departments’ are attractive to staff and students and have a strong customer focus. There is close linkage between the steering core and these productive and innovative units. The challenging leadership and management task is to maintain a creative balance between innovation and enterprise at this level and central steerage. Clark suggests that “altered heartland departments are a necessary bargain of transformation” (Clark, ibid., p. 177).

The fifth element is an institution-wide entrepreneurial culture. This is the symbolic side of internal governance, the realm of ideas, beliefs and values that are not just asserted, but also lived through individual and collective behaviours. Clark reports that these cultures vigorously assert their identity, they are dynamic, strongly self-confident, with a competitive striving for prestige. They have strong public reputations and sustaining internal institutional sagas.

These internal transforming elements of resources, organisation, and culture are sustained, Clark suggests, by the dynamics of strong external competition, a constant search for prestige and the drive and commitment that comes from being in the company of productive individuals, teams and departments. Externally, these entrepreneurial universities seek to define and use external markets for their own benefit while state authorities also seek to do the same, but with
varying degrees of success. Clark notes that two hybrids seem to be emerging across the world of higher education: the first is where state authorities are centrally directing institutional entrepreneurialism (as in China or Singapore, for example) and a different model where universities are in primary command, constantly adapting to a range of markets (as in the USA). The state authorities in the UK appear to be steering a middle line between these two; this might either be regarded as a ‘classic fudge’ or a sensible balancing of risk, depending on your point of view!

Clark’s essential message is that universities operating in a complex environment require complex differentiated solutions. They need to be set loose so that they can develop capacities to adapt rapidly to change and so can compete. There are strong echoes here of a report produced by the former Performance and Innovation Unit in the Cabinet Office on ‘Strengthening Public Sector Leadership’ (PIU, 2001). The authors of this report argued on the basis of their analysis of wider public sector organisations in the UK that ‘leaders required the freedom to lead’ and that the range of current governmental controls was an important inhibitor of effective leadership across the public sector.

Conclusions

The focus of this paper has been on internal governance arrangements including their evolution and fit with internal and external contexts as these contexts have changed over time. An important missing element of the discussion is the part played by leaders, managers (and indeed, governors) in making change happen and ensuring its sustainability. The people who carry these responsibilities, individually and collectively, have to address the structural and cultural inhibitors of change. Experience suggests that these inhibitors can include: excessive hierarchy and over-heavy bureaucracy, the comfort of ingrained routines, strong vertical command structures and weak lateral and bottom-up communication, unbalanced and non-integrated authority across professional domains, conservatism and risk aversion, territoriality, defensiveness and insecurity as well as wilfulness. Counteracting these inhibitory factors requires individual and collective will, courage, energy, creativity and determination combined with strong organisational and management skills, experience and expertise.

Changing internal structures and roles may be a necessary but far from sufficient condition for achieving change in universities. Without also giving attention to the integration of structures with strategy and
with systems and processes to guide, inform and reward, change messages and efforts will not be sustained. Nor will these messages reach the ‘heartland’ or enable ‘the development periphery’ to flourish if opportunities for people to engage with new practices and ideas and to be supported and challenged to develop new skills, behaviours and habits are not provided. And because universities are places where ideas and values are deeply integrated with structures, functions, roles and cultures, change processes must address the socio-emotional and symbolic aspects of institutional life as well the instrumental aspects of the business. This represents an important agenda for those who have the task of leading change in universities.

References


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