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**THE ENTERPRISE UNIVERSITY
COMES TO AUSTRALIA**

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ABSTRACT

In the last decade there have been very major changes in the governance and organisational cultures of Australian universities, in the context of globalisation and the global positioning of institutions, the partial withdrawal of state funding, and marketisation. These changes have not been simply driven from outside by external forces. Universities have been complicit in and active agents of their own transformation. Responses to (and attempts to shape) the larger environment of higher education vary significantly between institutions. These changes were investigated in a three year (1995-1997) Australian Research Council project, which included case studies conducted in 17 of the 36 large doctoral universities. The project focused on governance and management because it is largely here that relations between external forces and internal agents are mediated, and institutional identity, mission and strategic orientation are formed.

The study found that the shift in organisational culture towards models derived from business is greater than expected. A new kind of strategic leadership has emerged, partly detached from the academic units below and supported by a growing grouping of senior managers with university-wide functions. Traditional collegial bodies such as Academic Boards and Faculty assemblies have been largely eclipsed. Funding formula and other technical processes have partly superseded legislative-political decision-making, and in many institutions the organisational role of discipline-based cultures has been weakened.

On the whole it is the newer, less prestigious universities that have changed the most. In addition, certain universities have reinvented their mission and potential, either through hyper-entrepreneurialism, through strategies of globalisation and international education, or through giving priority to distance education and new technologies. But isomorphism (imitating behaviour) abounds in Australian higher education, even in its reinvention strategies. Globalisation and marketisation reinforce this. There is a crisis of institutional identity in Australian universities.

1.

2. Introduction

The University has been one of the central institutions of modern nation-building since world war two, but in the context of cultural and economic globalisation, and the neo-liberal trend in policy and social organisation, the University in its modern form is partly de-stabilised. It is undergoing major changes throughout the world.

Components of this crisis of and reconstruction of the modern University include the growing role of knowledge and intellectual labour in all sectors of the economy, implicating the University more closely in the economy and in relations with economic agents; the growing role of international markets and people exchange in education, coupled with the rise of global networks in information and communications; the continued growth of popular participation in higher education coupled with the partial withdrawal of direct government support, creating a worsening resource crisis; the growing role of entrepreneurial activity; and the importation of corporate modelling into the organisational design of universities.

The practical reconstruction of the University is running ahead of academic analysis. It has yet to be adequately theorised, chronicled or otherwise explained. Though there is an outpouring of literature on the University, much of this literature is solely normative, arguing for one or another variety of corporate re-engineering, or

critiquing the changes in the University in terms of one or another ideal model of academic life, for example that of Newman (1976). These opposing approaches share the common flaw that they essentialise the University, arguing in context-free terms without empirical foundation, and failing to acknowledge the immense variations between different types of university, diverse fields of study and specific national traditions. Essentialising approaches also tend to homogenise the University, reinforcing trends already set in motion by government and market.

Thus for example Readings (1996) in *The University in Ruins* argues in terms of globalisation as an abstract economic force and fails to incorporate empirical insights from actual universities. This leads him to unwarranted pessimism about the prospects for the University, coupled with an abstract assertion of intellectual values unlikely to be effective. A more useful approach is that of Slaughter and Leslie (1997) whose *Academic capitalism* uses case studies of the American and Australian systems, and of individual Australian institutions, to underpin a convincing argument about the power of resource drivers in determining university priorities, and the rise of entrepreneurial science, in place of the programs of basic scientific research funded as a public good, that dominated the modern University.

This paper is derived from a three year Australian Research Council (ARC) financed study (1995-1997) of management practices and organisational cultures in Australian higher education. The study incorporated case studies of 17 of the 36 comprehensive doctoral universities in Australia, institutions that between them enrolled 52.9 per cent of all higher education students in 1996. The grant holders responsible for the study were Simon Marginson, Bob Bessant and Mark Considine. The research team did not share the same perceptions of the data, and it was agreed that there would be more than one publishing program. The paper summarises the book that has been derived from the study by two of the three ARC grant holders, *The Enterprise University* (Marginson and Considine 2000). *The Enterprise University*, which is soon to be released, was prepared with help from Rachel Boston who worked as the research assistant to the project.

3. Research methods

Universities are doubly structured, by internal configurations of power and by their intersection with outside interests, which have growing saliency. This study was focused particularly on university *governance*, encompassing decision-making and resource allocation; mission and purposes; patterns of authority and hierarchy, including leadership and management; and the relationships of universities with the different academic worlds within and those of government, business and community without. Institutional governance has been seen as *the* key to the government-supported corporate reform of the universities, and it has become both driver of changes in the academic units and itself substantially reconstructed. Governance is the site where university identity is constructed. While one of the arguments of *The Enterprise University* is that in models of reform the centrality of governance has been somewhat exaggerated - and more attention should be paid to academic disciplines in the recreation of the University - the pivotal position occupied by institutional governance, as both point of over-arching organisation and mediator between inner and outer worlds, ensures its importance.

The research was informed by historical knowledge of the Australian system and the institutions concerned, and various by insights into institutional behaviour drawn from

political science, sociology and political economy, particularly theories of 'resource dependence' (Pfeffer and Salancik 1978), institutional isomorphism (Di Maggio and Powell 1983), and markets in positional goods (Hirsch 1976; Marginson 1997a), and from the broad-ranging and eclectic literature in higher education studies. The researchers had published earlier material critiquing the trend to 'corporate managerialism' (for example Considine 1988, Marginson 1993, Bessant 1995). Nevertheless, the intention was not to test hypotheses derived from that earlier work. Rather, the opportunity was taken to look at the phenomena in question afresh. The main methodological concern of the research phase was to hold judgement on questions of interpretation so as to maximise the range of empirical inputs and to leave room for the rethinking of prior assumptions. In the outcome the authors of *The Enterprise University* became more selective in their criticisms of contemporary management systems, and rather less sanguine about the previous 'collegial' era in universities that those systems have replaced.

The principal research method was that of intensive institutional case studies, carried out in a compressed time period (usually 2-4 days) and consisting largely of extended individual interviews, supplemented by documentary reading and historical data. The focus was on formal and informal decision-making inside the university. The researchers wanted to hear directly from those involved in the governance of universities what it was that they saw themselves doing. Interviews addressed such issues as the nature of formal distinctions established by rank and statute, the role of key committees and planning processes, the nature of budgeting and finance, and the sources of values, new strategies and goals. The questions of who is consulted and how were seen as strategic. As Pfeffer notes (1992, 65): 'the best diagnostic tool is the pattern of interaction among individuals involved in the decision. Who gets consulted, at what point, and with what result provides information about where power resides'.

The case studies were selected so as to cover enough of the field to enable plausible generalizations about the character of 'the new university', determining both the number of case studies and their spread across the Australian States and different historical categories of university. It was suspected the impact of change might be quite different in old and new, large and small, rich and poor institutions.

The universities included were five of the six 'Sandstones' founded in Australia before world war one (Queensland, Sydney, Tasmania, Adelaide, Western Australia), two of the three large 'Redbrick' institutions begun in the 1940s-1950s (NSW and Monash), five other pre-1987 'Gumtrees' founded between the early 1960s and mid 1970s (James Cook, Griffith, Newcastle, Deakin and Flinders), two of the large 'Unitechs' in each State that were formerly colleges of advanced education (CAEs) until the abolition of the binary system in 1988 (Queensland University of Technology, and the University of Technology in Sydney), and three other post-1987 universities, also formed out of CAEs (Central Queensland, Southern Cross and Edith Cowan). The strongest universities, the Sandstones and Redbricks, were somewhat over-represented at six out of nine, while the newest universities were under-represented. All States were covered. The three institutions in the Australian Capital Territory and Northern Territory were not.

Case studies were conducted with the cooperation of the universities concerned. Interviewees typically included the Vice-Chancellor or in his/her absence a DVC, the Deputy Vice-Chancellor or Pro Vice-Chancellor (PVC) Research, further DVCs and/or PVCs at need, the senior officer responsible for strategic planning, at least one faculty Dean and/or 'Super-Dean' covering a number of faculties, one or more

departmental heads, academics not holding managerial roles, and other members of the university with an insight into power and authority structures, or versed in the academic study of university systems.

All but a handful of interviews or parts of interviews were conducted on a 'not for direct attribution' basis. The Vice-Chancellors tended to be the most confident and certain in their comments, ranging freely across the full gamut of internal and external issues. More junior officers often seemed concerned about how their superiors would respond to what they said. Even DVCs and PVCs carefully confined themselves to their brief, somewhat in the manner of portfolio ministers.

4. Main findings

The researchers found a greater shift towards organisational models derived from business than they had expected to find. In many Australian universities the changes in governance in the 1990s have been dramatic, and in all institutions substantial changes have occurred and are still occurring. While there are many local variations, the changes in all institutions contain common features. The changes in governance have been a principal medium of tendencies to institutional convergence. In summary, the main findings from the project are as follows:

1. University purpose and operations is now defined by strong forms of executive control, in which leader-managers take the role of strategic planners and re-engineers, guided by corporate-style institutional missions.
2. Decision-making and resource allocation have been reworked so as to move towards business-like forms of devolution and the integration of academic units into an institutionally-determined performance economy, away from traditional collegial authority. The nature and extent of the move varies by university.
3. Institutional reform emphasises flexibility in resource deployment, personnel and mission. Increasingly decisions are controlled not by legislative-style meetings but by plans, targets and formulae subject to executive technique.
4. There has been a weakening in the role of discipline-specific of organisation in research and teaching, and a 'flattening' of the differences between disciplines in resource allocation, for example in research management.
5. Governing councils have been widely (if not quite universally) reformed so as to render them more akin to corporate boards, and less representative in form.
6. An increasing role is played by company structures outside the framework of academic decision-making, for example in international education and the marketing of intellectual property, with a parallel structure of 'soft money' projects and staffing that is subject to executive rather than academic control.
7. Academic Boards have been marginalised, or in a small number of cases restructured so as to become part of a more managed system, and governing bodies at faculty or departmental level are disappearing. The vacuum is filled by executive-controlled groups (such as Vice-Chancellors' Committees), executive-style middle managers such as faculty deans, and new mechanisms for consultation, communication and internal marketing. There is a characteristic shift from the formal to the semi-formal and the informal.
8. Some universities are succeeding better than others. Sandstone universities are best placed to handle a more competitive and resource-poor environment, because of their prior advantages and relatively healthy academic cultures. Most other institutions exhibit a one-sided dependence on management, rather than academic functions, as the principal source of dynamism.

9. In university strategising and development, there is a pronounced tendency towards isomorphism (imitating behaviour), deriving from government system setting, global pressures, the use of standardised organisational templates, and the reading of competitive pressures by leader-managers.
10. Despite isomorphism, certain universities other than the 'Sandstones' have attempted to improve their competitive position via strategies of institutional reinvention, including a 'high entrepreneurial' path based on income earning, major emphasis on internationalisation, or specialisation in distance education. These strategies tend to rely on management rather than academic units as the source of transformation, and on standard business models.

These changes have accelerated the long-term decline in the collegial form of university organisation. The collegial tradition, inherited from British universities is grounded in the notion of self-governing organisation with minimum management, a hierarchical, self-referencing profession which determined its own incentives and rewards, and self-managed work subject only to peer validation. From the 1950s in Australia, with the advent of large-scale federal funding, university expansion and modernisation, and the concurrent professionalisation of management functions, actual collegial practices were weakening, but collegiality retained some power in debate about universities and as an ethic governing academic relationships. While collegiality survives in academic culture, especially in Sandstone universities such as Sydney and Adelaide, its organisational salience has now largely disappeared.

The remainder of the paper will briefly discuss some of the findings on several of the above matters, followed by a discussion of the limits of the Enterprise University, and thoughts on further research. A fuller treatment of the outcomes of the project, together with the supporting arguments and evidence, including tables comparing the 17 institutions under study, is provided in *The Enterprise University*.

4. Executive leadership and management

Australian universities are subject to a new kind of executive power, characterised by a will to manage and a freedom to act greater than in earlier times. The executive leaders of the Enterprise University are generic rather than localised managers. They manage according to seemingly universal principals of 'good practice' and they enjoy an operational separation from the internal context (that which is managed). They mediate the University's external relations and fashion its strategies. Executive leaders deploy the 'outside' factors of government, business, and local and global competition as they see fit. They are their own switching station, between the external pressures and the internal changes they want to achieve. In its stronger forms this executive leadership, embodied in the person of the Vice-Chancellor, is nearly unstoppable on its own ground.

In its dominance over the internal life of the university and in some of the techniques it employs - for example budgetary 'holdbacks', formula distributions and competitive bidding for scarce innovations funding - the new executive leadership mirrors the *persona* of the strong system-managing government Minister, as embodied by John Dawkins, the federal minister (1987-1992) responsible for the policy settings within which Australian universities still operate.

Vice-Chancellors draw much of their self-definition from their command over territories and their external functions, particularly international operations and liaison with industry. There is a good deal of diversity in leadership styles, ranging from the free-wheeling entrepreneur to the close checking rationaliser, to a more pastoral style, but there is a common dependence on highly individualised models of leadership, and surprisingly little diversity in purposes. All strive for the maximum room to move in relation to internal constituencies and pressures, all want to be 'free to deal' with the new environment of threats and opportunities, all see university priorities, structures and personnel as almost infinitely malleable.

5.

6. New structures for decision, consultation and communication

The principles animating structural innovation within universities are the sidelining, remaking or replacement of earlier collegial or democratic forms of governance, and the replacement of those forms of governance with structures that operationalise executive power, and selected mechanisms for participation, consultation and internal market research. There is a characteristic shift from the formal to the semi-formal: the new structures enable freedom of action and information flow, without the constraints of legislative forms and representative governance. The most important decision-making bodies are now the executive meetings of senior leaders, which sustain the vice-chancellorship, dictate the formal agenda, often enjoy a high level of financial discretion, and play a key role in the daily running of universities. Sometimes the senior executive groups include faculty deans as agents of the executive, sometimes they hold the faculties at arms length so as to increase the scope for central executive power.

In practice universities are no longer governed primarily by legislation: they are ruled by formulae, incentives, targets and plans. These mechanisms are more amenable to executive-led re-engineering than are the deliberations of a Council or an Academic Board, and less accessible to counter-strategies of resistance. They also fit management-controlled structural tools such as soft money budgets, commercial companies, temporary institutes for research or teaching purposes, fundraising and marketing campaigns, all drawn together in a complex web of money flows and lines of accountability traceable only to the senior executive office. There is an increasing number of university corporations, which are largely outside the reach of governing bodies and collegial debate, which often operate in sensitive and lucrative areas (fee-based international education, research, technologies) that are subject to commercial-in-confidence proceedings.

Equally striking is the emergence of new forms of consultation and communication, both more efficient and more user-friendly from a managerial point of view. These includes vice-chancellor's advisory groups, occasional meetings in selected locations, the 'road-testing' of new and controversial proposals through ad hoc consultative networks, and improved internal marketing and media.

6. Councils and Academic Boards

As urged by a succession of government-instigated reports (for example Dawkins 1988, Hoare 1995) most university councils/ senates have been restructured so as to reduce total size, increase the role of business members relative to other external interests, and weaken the role of internal representatives. The conventional notion is that councils should function in a manner analogous to corporate boards, representing shareholders by exercising a

watchdog function in relation to senior manager-leaders. In practice the analogy is weak (universities do not actually have shareholders), and governing bodies provide little of a check on the power of senior managers, who control the agenda and the data flow. The effect of the changes has been to reduce the responsibility of councils towards the internal university community, and narrow their external community.

Academic Boards are undergoing an even more extensive redefinition of their roles. Many Boards have been reviewed, and often they are reduced in size, but these changes have not modified the main trend: as unambiguously collegial bodies, everywhere Academic Boards are becoming more marginal, principally due to their exclusion from resource allocation decisions. The exception is cases such as Western Australia and Flinders where a smaller, restructured Boards have been installed as instruments of formal consultation on management terms. Academic Boards retain their main relevance in decisions about educational matters. Even here, in the 'fast-tracking' of courses for fee-based international or continuing education, the Boards find themselves often being by-passed. In some universities they are clearly struggling to work out a viable role for themselves.

7.

8. Research management

From the viewpoint of managers the academic disciplines often appear as a negative force, retarding managers' capacity to redeploy resources at need in a more market-driven environment. There is a trend, widespread though not universal, to the use of cross-disciplinary schools in teaching programs and the conduct of research in inter-disciplinary centres. These structures enable a more direct managerial (and in the case of research) governmental intervention in the ordering of priorities. In research this is part of a larger trend to the reconstruction of research as a management performance system. Increasingly, funds for research activities are distributed on a competitive basis on the basis of 'academic merit', primarily as defined by grant income and to a lesser extent, publications and higher degree students. This approach, derived from the Commonwealth research quantum, is widely used for internal distributions. Institutional policy also places greater emphasis on research of use to industry, because of the potential for saleable intellectual property: again, this follows the Commonwealth policy.

Homogenised systems and formulae are used in which all disciplines appear as same. In practice these systems favour certain disciplines (principally the large-grant dependent applied sciences) at the expense of others. They also favour projects with modest ambitions rather than those that create new paradigms, and they favour researchers with established track records not new researchers. There are strong incentives to expand research quantity at the expense of research quality; and to shift from theoretical, critical or unfashionable projects in favour of applied, immediately useful and bureaucratically popular projects. The capacity to sustain long term curiosity-driven research programs conducted under independent academic control has been substantially weakened.

8. Imitation and diversity

In its innovation strategies the Enterprise University plays safe, for example by imitating competitors in all respects except for the chosen innovation itself, thereby minimising the potential risks that innovation brings (Levy 1998). Notwithstanding partial deregulation, it is apparent that competitive pressures are driving a greater conformity, especially in education

and research (see also Meek and Wood 1998; Marginson 1999). Compared to the universities of the previous era, the Enterprise University tends to narrow the band of potential academic innovations. This is reinforced by the decline of public funding, which reduces the margin for risk and forces greater emphasis on short-term returns at the expense of long term programs. Karmel (1998, 50) remarks:

There is another factor that can work against differentiation in spite of autonomy. It is the tendency for institutions to copy other (especially neighbouring) institutions. There is a number of examples of duplication of specialist programs unrelated to the demand for their products on the principle of 'anything you can do, I can do better'. This tendency is exacerbated when there is keen competition among institutions, particularly for students. It is a force against diversity... In this situation some degree of central regulation may, perhaps surprisingly, be the best means of preserving a degree of diversity.

The main forms of diversity in Australian higher education are in institutional catchment areas (some universities are much stronger attractors of school leavers than others); the proportion of non-traditional students such as those from TAFE or in distance education; the presence or absence of a Medical Faculty; levels of research funding and research performance; and levels of institutional assets and income from non-contested private sources (institutional investments, donations and bequests, etc.). It is notable that these forms of diversity correlate closely with the historically-determined hierarchy in the Australian system, headed by the Sandstone universities and the Redbricks. For example Sandstones are school-leaver but not TAFE-leaver universities. They have medical faculties, greatly augmenting their status and resource levels. They receive up to 25 per cent of their total incomes from research activities compared to 2 per cent in some new universities. They enjoy much greater levels of assets and non-contested private incomes, increasing their independence from government and market forces.

Though further research is needed in relation to educational diversity - an analytical focus at the level of institution rather than discipline tends to 'flatten out' discipline-based differences - there appears to be little diversity in educational and research profiles, with all institutions operating as doctoral universities across most courses. Sandstones and Redbricks dominate notions of good practice. Primarily, universities are vertically differentiated on the basis of status, rather than horizontally diversified on the basis of a division of labour. Arguably, isomorphism is the dominant trend and self-directed diversity is in decline. If so this is a serious weakness of the Enterprise University, limiting the range and depth of its research, pedagogical innovations, and its potential contributions to social renewal.

9. Reinvention strategies

Despite this, certain institutions have attempted to break the mould and in the process lift their individual competitive position within the hierarchy. Three main strategies have been used:

1. Hyper-entrepreneurialism, based on building sources of market-based income, for example international education, fee-based postgraduate and continuing education, commercial research and consultancy, and other services (Table 1). In different ways the University of NSW, Monash and Deakin have all taken this path, increasing both their incomes and their market exposure;

2. Globalisation, based on strategies such as a high level of international student enrolment; off-shore campuses, or collaborative arrangements with international universities, or a focus on international distance education; active commitment to internationalising the curriculum; a high level of staff exchange (Table 1). While all Australian universities enrol some international students, NSW and Monash are strong in a number of these global areas, and Central Queensland is committed to developing international distance education.
3. Distance education specialisation, for example Deakin, Central Queensland and Southern Cross (Table 2), and also other universities outside the study such as New England, Southern Queensland and Charles Sturt. The distance education universities tend to have high student staff ratios, and high general staff-academic staff ratios, and to be relatively weak in research, with the exception of New England. Some have invested significantly in technologies which they hope will delivered an early advantage in what they see as the emerging competition in virtual delivery of courses (Cunningham et al 1998).

Table 1 Market-based activities, and internationalisation: institutions in the study only, 1996 and 1997

		Fees and charges as share of income	Fee-paying student load as share of total student load 1997 (postgraduate education and international education)**			Off-shore students share of internat.	Total internat. students
		1996 *	postgrad.	internat.	total	1997 ***	1997
		%	%	%	%	%	
U. New South Wales	RB	18.6	4.8	17.5	22.3	0.4	4648
Monash U.	RB	16.9	2.0	15.7	17.7	3.9	5738
Griffith U.	GT	16.8	0.9	9.7	10.6	0.1	1974
Deakin U.	GT	16.6	2.4	7.8	10.2	2.0	1840
Central Queensland U.	NU	14.6	0.9	12.8	13.7	3.2	1453
Queensland U. Technology	UT	13.6	1.0	7.5	8.5	0.4	2063
U. Queensland	SS	13.1	0.9	7.0	7.9	0.5	1649

U. Adelaide	SS	11.4	2.3	9.2	11.5	0.0	1085
James Cook U.	GT	11.4	0	4.7	4.7	0.4	367
U. Technology, Sydney	UT	10.9	4.5	7.7	12.2	0.8	1385
Edith Cowan U.	NU	10.7	0.5	9.6	10.1	1.7	1462
U. Sydney	SS	10.4	2.4	7.5	9.9	0.9	2447
U. Tasmania	SS	10.0	0.3	8.7	9.0	2.2	1013
Southern Cross U.	NU	9.8	2.3	3.1	5.4	1.9	288
U. Western Australia	SS	9.0	1.2	12.7	13.9	0.5	1479
Flinders U. South Australia	GT	6.9	1.0	6.1	7.1	0.7	541
U. Newcastle	GT	6.1	0.7	5.8	6.5	0.3	946
<i>national mean</i> ***		<i>13.4</i>	<i>2.0</i>	<i>10.3</i>	<i>12.3</i>	<i>2.2</i>	<i>1743</i>

* includes fees from continuing education (short non-award courses eg. professional upgrading), postgraduate courses, fee-paying international students, and other fees and charges for services such as research and consultancy.

** fee-paying students are students paying 'up-front' tuition fees directly to the universities rather than incurring liabilities under the Higher Education Contribution Scheme or exempt from fees and charges (for example research students with scholarships are exempt). Includes fee-paying international students and postgraduate students.

*** excludes small specialist institutions from calculation of mean number of international students per institution.

bold indicates a level of activity greater than the national average.

Source: DEETYA 1997, pp. 90-91, 97 and 121-125

Table 2 Orientation to distance education: institutions in the study only, 1997

Orientation to distance education (DE)	Institution and segment	Proportion of students	Number of students in distance education	Overall student-staff ratio (all disciplines)

			in distance education		
			%		
DE a defining feature	Deakin U.	GT	38	10,256	20
	Central Queensland U.	NU	51	5816	22
	Southern Cross U.	NU	46	4230	26
DE provision substantial	Monash U.	RB	16	6443	17
	Edith Cowan U.	NU	18	3452	16
DE a minor component	U. New South Wales	RB	8	2153	16
	Queensland U. Tech.	UT	7	2150	19
	Flinders U. SA	GT	7	836	15
	James Cook U.	GT	6	508	14
DE negligible/ absent	U. Queensland	SS	4	1242	14
	Griffith U. *	GT	4	775	16
	U. Adelaide	SS	4	541	14
	U. Sydney	SS	3	1073	13
	U. Newcastle	GT	3	632	15
	U. Tasmania	SS	3	368	16

	U. Technology, Sydney	UT	0	0	17
	U. Western Australia	SS	0	0	15

* Griffith has since launched a major initiative in flexible delivery at its new Logan campus.

Sources: DEETYA 1997, pp. 25-26; DETYA 1998, pp. 19, 92 and 132.

10. Limits of the Enterprise University

All Australian universities are to a greater or lesser degree Enterprise Universities. They join a mixed public-private economy to a quasi-business culture in which the capacity to respond is crucial; and academic units partly reconstituted, partly doggedly traditional, and partly broken: it varies by institution. They have a reformed system of governance designed to bring opportunity and capacity into short-term conjunction, and manage the tensions inherent in a hybrid institution.

In their political economy, Enterprise Universities sit somewhere between the public academic institutions they were and the private companies that some would like them to become. They are responsible for their own output and financial health, and in that sense mirror the business firm. At the same time they are driven as much by academic and institutional prestige as by the financial bottom line. The private and commercial side of the Enterprise University offers greater potential for institutional discretion and independence, and is becoming more central. There is a new emphasis on entrepreneurialism, at both strategic centre and academic units, though to varying degrees. Entrepreneurialism and business modelling brings with it the partial devolution of responsibility for funding, fund management and performance, so that academic units begin to resemble small specialist firms within a large conglomerate. The Enterprise University is global in its scope for action (though largely national in character), and globalised in communications.

In summary, the Enterprise University has a number of limitations:

First, its leaders are too far detached from that which they lead, while too much is asked of them. Notions of leadership have become conditioned by images of sport stars, movie stars and the free-booting, risk-taking entrepreneur, heroes who seem to make good without group support (Capling et al 1998, 70). One downside of the cult of the muscular leader is that it creates impossible pressures. Detachment from the networks below screens university leaders from politicking, but it also reduces their potential support base and detaches them from potentially useful instruments of policy, in the form of the academic units themselves.

Second, the Enterprise University often works around and against academic cultures rather than through them. In his study of American academics Rhoades (1998) notes how academic resistance to new educational technologies led to the shaping of technology-based instruction and delivery by management, on the fringes of the mainstream curriculum and outside academic authority. The number and importance of non-academic professionals and part-time academic labour has now grown so rapidly that the 'fringe' has become a new mainstream, one in which 'tenure-track faculty', to use the American term, plays a lesser role. Similarly, academic staff have a weak involvement in decisions about reworking

priorities for course delivery, although these decisions are important in shaping the curriculum in the longer term. In both cases the 'academic heartland' has been by-passed.

There has been something of this in Australia, except that in the context of a more rapid reconstruction of the University, 'by-passing' has extended from new technologies and course priorities to new institutional missions and organisational systems. Time and again, the academic disciplines are seen as an obstacle to reform, one to be deconstructed or displaced. Reinvention strategies based on high entrepreneurialism or distance education are particularly prone to clash with academic mores. But by failing to commit the academic units to institutional goals, the Enterprise University creates a productivity barrier within itself. Further, leaving the academic core untouched reinforces collegial conservatism in the long term.

To by-pass the academic heartland is to fail to recognise or nurture its potential contribution to strategic development. Academic work is under-funded, and the reproduction of existing quality cannot be taken for granted. The problem is not confined to Australia. Williams (1997, 288-289) notes that in the U.K. business reform and marketisation are associated with a decline of academic salaries relative to the salaries paid to other professionals, and a reduction in the security and autonomy of academic work. These trends might be 'the Achilles heel of marketisation in the long term'. In reformed universities/ enterprises, 'respect for the knowledge and skill of producers' should be seen as 'at least as important as responding to the short-term wishes of consumers and proxy consumers'.

Third, and associated with the second problem, the strengthening of the strategic capacity, responsiveness and resource deployment capacity of the centre of the Enterprise University is taking place *at the expense of* the dynamism of academic cultures, rather than *in conjunction with* the latter. In a centralised model it is inevitable that surveillance and performance control are never as complete as central managers would like. Where academic resistance is low there is a tendency to suppress grass-roots initiatives, especially 'off-the-wall' paradigm breaking initiatives. In relation to this problem, the orthodox solution is to decentralise in an economic sense, to provide the academic units with market freedom while maintaining central control over the measures used to set objectives, calculate performance and allocate funds: in other words, to use an entrepreneurial approach rather than centralised corporate approach. However this does not really strengthen the position of independent academic cultures, for if anything it increases dependence on control techniques based on standardisation, and the tendency to focus on short term returns not long term programs.

Fourth, in the Enterprise University, internal institutional community has been thinned out. This is the consequence of a leadership partly detached from internal interests, the partial by-passing of academic networks, the growing salience of external over internal relations (as if one must crowd out the other), and the failure to replace declining collegial governance with more efficient and inclusive forms of participation. Non-organic leaders and attenuated community are a recipe for increased isomorphism. In the absence of a grounding in local vitality, too powerful to ignore and too good to give away, leaders will naturally tend to fall back on generic notions of management and imitation models of universities.

Finally, and most important, in the Enterprise University generic institutional reform, coupled with the prevailing isomorphism, are contributing to a deep-seated loss of confidence, the faltering of university identity, and the weakening of institutional capacity for educational and organisational innovation. These are serious deficiencies of the model. Arguably, they are both general to the Enterprise University in much of the world, and particularly acute in Australia.

Universities are not the same as 'any other business'. Their structure and functions, like those of many other social institutions, contain not only features generic to large complex organisations, but features unique to their own histories and purposes. Their distinctive contributions as institutions are in the academic functions, in teaching and research. The application of generic reforms to universities tends to weaken the grasp of universities on the conditions which determine better teaching and research, *unless* the reformed systems of organisation are grafted carefully onto strong academic cultures. Unfortunately, in most Australian universities this does not appear to be happening.

The problems of isomorphism and faltering identity can most effectively be addressed in government by implementing policies to re-strengthen the academic heartland (Clark 1998) and underpin investment in innovations, and systems of regulation more sensitive to the circumstances of different institutions and the distinctive character of different academic disciplines. In addition, modification of competitive pressures is crucial to the reduction of isomorphism. In institutional management, the solutions lie in systems of organisation which are discipline-sensitive and rely as much on academic creativity as clever management, and by securing consent for institutional objectives on the basis of internal community.

At the same time it will be necessary to develop a 'post-collegial' academic professional ethos, one less autarkic and self-referencing than the traditional collegial ethos, in which independent academic cultures are joined to a focus on outcomes and an ethic of external responsiveness and accountability.

11. Further research

The forgoing suggests a number of possible directions for further empirical research in relation to trends in higher education, including:

- A study of trends in academic work in Australia, to complement this study which was primarily focused on management and organisation at senior levels;
- A study more explicitly focused on measuring diversity in higher education and tracing its dynamics, focusing on diversity within institutions (for example diversity between fields of study) as well as between institutions;
- A micro-level study comparing the operation and outcomes of 'flat' collaborative structures with hierarchical structures, for example in research;
- A study of the effects of different systems of incentives in research behaviours and outcomes, comparing an academic unit in which collegial incentives (such as academic esteem and authority) remain significant, to one entirely organised as a business-like environment with a performance economy;
- Comparative international studies to test for the presence of the trends identified here in national systems outside Australia: for example a study of isomorphism and diversity, and imitating behaviours, in other countries.

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