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“Addressing Questions of Higher Education
Institutional Reforms in Creating the EHEA”**

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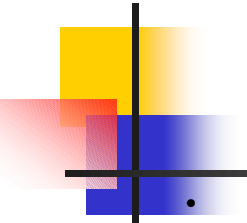


**Institutional Governance and Structures:
Coping with Uncertainties**

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I. University governance: a new approach

I.1. Meanings of governance (G)

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- G is not a word with a long-lasting tradition (not older than two or so decades).
 - G accounts for the leadership and governing processes for the organization, control and distribution of power and authority, duties and responsibilities into an organization.
 - G of university includes formal governing bodies (university councils, board of trustees/regents/governors), central organs of university government (rector/president/vice-chancellor and the senior management team, Senate, academic boards, administration), as well as rules and mechanisms by which stakeholders participate in decision-making processes and are held accountable.
 - G is associated with a wide range of instances and practices: strategic management, mission, vision, stakeholders, accountability...
 - G comes about together with the neo-liberal re-engineering of the State functioning and organization and with the growingly valued academic entrepreneurialism and managerialism.
 - G is called upon to respond to the growing risks and uncertainties that emerge in today societies and “good governance” is a value loaded concept.



I.2. Influences on university governance

- n University governance is strongly and directly related to university autonomy, academic freedom and institutional accountability.
- n Influences on university governances:
 - n institutional structuring and functioning: academic division of labour, and relationships between academic units (faculties) and the central bodies (e.g. rectorate);
 - n social, political and economic structures and expectations;
 - n relationships between public authorities, their representative sand the university.
- n A pattern of university governance may result from the ways certain variables are shaped: state regulatory mechanisms; location of steering and policy making, institutional management and administration; academic collegiality.
- n Simplifying, out of the combinations of these variables, it may result three evolving patterns: state bureaucracy, electoral collegiality, managerial rationality.



I.3. Why new university governance models?

n Societal and political transformations

- n Major transformations in the countries of CEE
- n A shift from state regulation to self-regulation
- n The neo-liberal state and the new public management
- n The growth of audit and evaluation systems and the rise of public accountability...

n Changes in the academic world

n *At system level:*

- n From elite to mass to universal HE
- n Institutional diversification
- n Shrinking public resources and diversified funding sources
- n Increasing demand for efficiency
- n Managing inter-institutional competition
- n Intermediate ("buffer") institutions between public authorities and HEIs

n *At institutional level:*

- n Multiplication of institutional units and knowledge development: uni-disciplinary departments vs. cross-disciplinary boundaries
- n Multiplying HEIs functions and expectations
- n Academic multiple employment and loyalties
- n Students of all ages and offering opportunities for lifelong learning
- n Management information systems
- n Facing competition both within and without HE



I.4. Governance of universities is to be different from that of any other organization

- n University has a horizontal organizational structure in order to foster academics individual initiative, creativity, excellence
- n A shared governance that assigns specific rights and responsibilities to its stakeholders (governing boards, academics and administration) and is based on the principle of subsidiarity:
 - n Separation of powers
 - n Structures and processes of interaction
- n Governance is a distributed function, combining central institutional authority with grassroots authority
- n Moreover, governance is specific to each model of university and it should act so as both to conserve (in a world of growing uncertainties) and to transform (in a runaway world)
- n As an organization, university may be regarded as a bureaucracy, an academic guild and a corporation



I.5. How to reconcile the internal centrifugal forces with the growing external pressures of competition?

- n Tensions between academics individual aspirations and corporate goals
- n Learning from the trust-based internal interactions between governing bodies and academics
- n Acting entrepreneurially by changing the internal culture in order to acquire external benefits



II. Alternative governance patterns

II.1. Basic assumptions

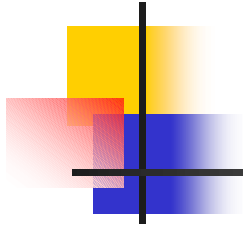
- n There is no one best governance solution
- n Any solution today should refer to the relationship between the State, the market and the institutional academic staff
- n Whatever the solution put in place, it is strongly influenced by the past experiences and the values taken as reference

II.2. Comparing two patterns



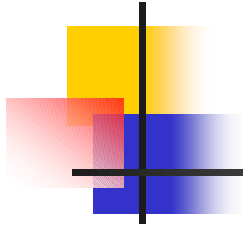
n A. State Bureaucracy

- n Academics as state officials or civil servants
- n State bureaucracy holds the key management functions through legislative and financial means, thus regarding personnel policies, budget and finances, organization of institutions, student flows per units
- n Strong connection between state and university administration
- n Rectors and deans drawn from the professorate through electoral collegiality and political influence
- n Senate, faculty councils and committees expected to represent through elections academics, students and administration
- n Electoral collegiality strengthens participation but also contributes to fragmenting and politicizing the inner life of university
- n University is organized in units along the disciplinary lines and is subject to continuous fragmentation
- n This pattern evolved slowly, by diminishing the direct and centralized managerial roles of the State and replacing them with “contractual regulations” based on evaluation, accountability and performance indicators
- n It highlights a key dilemma: how much university autonomy and how much State intervention?



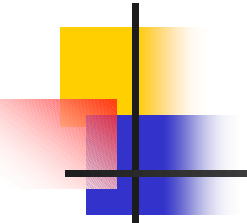
n B. Managerial rationality

- n State withdrawal and de-regulation
- n Taking as reference the business enterprise
- n Integrating the university: from the university as a confederation of sovereign faculties to the idea and reality of an integrated university
 - n Challenging the heritage
 - n Taking as references new values and a new system of power distribution
- n University autonomy and accountability
 - n Financial management and efficiency
 - n Staff recruitment, appointment and remuneration
 - n Contractual arrangements between university (rector) and public authorities



- n Moving from state bureaucracy and electoral collegiality to managerial rationality by:
 - n Strengthening and concentrating the executive authority of the rector and his/her senior management team: the rector to have a say in the nomination of the vice-rectors and deans; contracts between the rector and the deans
 - n Senate and faculty councils with academic responsibilities subordinated to the executive authority of the rector
 - n Representation of external (stakeholder) society (business, industry, trade-unions, regional authorities..) in governing/executive boards or in a board of trustees or in a university council invested with strategic and leadership responsibility, including the appointment of the rector
 - n The rector and the chair of the Senate as members of the governing/executive board in order to facilitate the communication: the head of the executive/governing board is not the rector;
 - n A strong, well qualified administration

III. Coping with uncertainties

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- n Coping with external risks and uncertainties in an academic world based on competition
 - n Coping with internal tensions: central steering authority vs. centrifugal forces of institutional faculties
 - n University as a network organization in which the steering role of the centre is associated with flat hierarchies, strong decentralized units (disciplines, departments, faculties) and dynamic lateral/horizontal lines of co-operation.