

ADAPT OR DIE? THE UNIVERSITY CHALLENGE!

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Recently announced reductions (See THES Dec. 1st, 8th, 15th) in future funding and an increasing focus on 'performance' – however that may be interpreted, measured or defined – carry a clear message for Vice-Chancellors and others charged with managing institutions of higher learning. The message is simple – adapt or die.

Regardless of the political colour of present and future governments it should be evident that recently historic levels of public funding whether in absolute or per capita terms will not, and perhaps cannot, be maintained. Meanwhile, Governments world-wide are developing initiatives involving privatisation, private finance for capital expenditure, sponsored and 'directed' research, i.e. that which leads to commercially useful outcomes, as devices to justify reductions in the level of public financial support. Contemporaneously pressure is increasing on institutions to absorb more students and educate them to higher standards over shorter periods.

There are many aspects to the debate which these governmental strategies engender. These range from classic questions such as "what is the purpose of a university?" to more routine issues regarding the quality of student intake (at all levels and from all sources) and the quality and workload of academics and others involved in the delivery of programmes.

These are important questions and need to be addressed. However perhaps what should be first addressed is whether these are today's most important questions? Looking at the work of the quality guru Joseph Juran (the vital few, the useful many) or economist Vilfredo Pareto (somewhat liberally 80% of the solution requires 20% of the effort), may cause reflection on which questions need to be dealt with first. I believe the most immediate question should be, "What is an effective organisational response to the changes?"

The CVCP and others are currently delivering what can be thought of metaphorically as the "scrum" response – when pushed, push back harder. This takes the form of attempts (often successful) at forming and modifying public opinion, of lobbying MPs and other public figures to generate support and of negotiating with the funding bodies, along with the proposals to introduce student contributions to cover the shortfalls. These activities are important and may help to reduce the popularity of a government such that it is not re-elected. However, they do little or nothing to ameliorate short term financial pressures – even student contributions can only produce a limited benefit.

They do equally little in the medium term. Students making direct contributions as 'paying customers' may be strengthened in the leverage which they can apply to the organisation since the nature of the contractual relationship between student and University would become direct rather than 3rd party – a fundamental difference in

the contract. If they are dissatisfied with the 'product' could they ask for their money back? If the University fails to provide the benefits promised or implied in its prospectus will the students be able to sue? How do the 'Trade Descriptions Act' and Sale of Goods Act' apply to what would become quasi-commercial educational activities?

A different political party in office will operate under much the same financial constraints as the present one. Minimal apparent differences in political philosophy between the major parties in the UK are such that any change may well be one of emphasis and timing rather than substance. After all, much recent political debate has been about who is the best administrator – an argument about technique rather than about alternative ideology! If the essential dogma is the same – 'public finance bad, private finance good' then a change of Government simply means more of the same but differently dressed. It may be noted here that much the same argument would apply to other areas of government expenditure such as health, social security, primary and secondary education.

One major problem facing those who manage our educational institutions is that they are attempting to defend the seemingly indefensible. Externally, the general public 'knows' that academics only teach a few hours per week and take exceptionally long holidays, often going to conferences at public expense. Similarly, the general public 'knows' that research is a euphemism for talking about work rather than doing any! These perceptions are of course flawed. They ignore much necessary administrative work and vital activities such as student recruitment, counselling and pastoral care, course development and so on which are undertaken during non-contact hours. They are formed in at least partial ignorance of the effort and time involved in producing high quality research material. (Despite six years active involvement in research activity, I still find it difficult to consider research as 'work' in the conventionally accepted sense of the word, since it mainly involves doing things which I want to do rather than things other people want me to do).

However, administration and pastoral counselling etc. are not 'attention-grabbing' activities. They do not capture the public mind. This is captured by reports of six-hours contact time per week and a strong resistance to performance evaluation (something which is routine in most commercial organisations of similar size to universities). What captures public imagination is poor teaching, absenteeism (see Dons Diary – "When do these academics do any work?") and an apparently sybaritic, low pressure, low performance lifestyle, all paid for out of taxes.

These perceptions are not incurable, many of the accusations are defensible, they merely require effectively communicated responses. These responses need to be expressed through both the observer's paradigm and language. However, what cannot be defended is poor teaching and absenteeism or inefficient, ineffective use of public funds. These are accusations to which most universities appear vulnerable, and to which there can be no defence other than transparency.

Quality of teaching is being addressed through several initiatives – but still poor performance is difficult to address, not least because each academic has a personal style of working which will not appeal to all candidates equally. There is no compulsory system of staff appraisal enabling performance to be evaluated. While any system of appraisal is open to criticism, having no form of appraisal cannot be considered acceptable. Alternatively, if lecturing staff are not to be appraised because appraisal is unfair and highlights differences in performance, then examinations and assignments should be abolished for undergraduates and the submission of theses abolished (along with much dreaded ‘viva’) for Doctoral students since these are subject to the same criticisms. What is good enough for ‘us’ should be good enough for ‘them’. If academics, like students, are proud of what is done and believe that it is worthwhile, then we should be prepared to hold our work up to public scrutiny regardless of the faults of the evaluation system.

What is certain is that performance appraisal will become an expected norm. The argument should not be about whether or not to have performance appraisal, but about what evaluation criteria should be applied and whether they should be the same for all. One suggestion is that the measurement could be based on the outputs from a particular lecturer i.e. improvement in student performance, rather than on the inputs i.e. perceived quality of lecturing and materials used. This would of course need to be measured against the quality of the raw materials i.e. the prior achievements of the students.

Organisational effectiveness, the total performance of the Universities, is an area equally susceptible to attack and one where significant potential for improvement could probably be identified. Universities are generally perceived as bureaucratic, slow and inefficient (not least by many of those who work in them). As with many commercial organisations, and perhaps even more so, they are hidebound by traditions and limited in their potential for adaptation by the existence of many ‘scared cows’ – established activities which have outlived their usefulness and in the commercial jargon are now ‘dog products’. That is, they are net consumers of cash which generate little benefit of either research or other output which creates prestige for the University. Such ‘products’ are however relatively untouchable. It is notoriously difficult to retire tenured staff who often occupy the relevant posts and because the culture and organisation of Universities, as with many publicly funded organisations, militates against ever stopping anything regardless of its limited usefulness.

If Universities cannot demonstrate that the most effective use is made of the funds provided to them, if they are not models of efficiency and effectiveness, both educationally and administratively, then they cannot be immune to attack. If it cannot be demonstrated that the present level of funding is used well and wisely, then there can be no argument for that level being sustained, let alone being increased. Only when the use of funds and the effectiveness of Universities can be held up to public

examination and be demonstrated as being 'best in class' can a forceful case be out for increases in funding.

The effective response then does not rest in 'pushing back harder' – this can only have marginal short-term benefit. Effectiveness of response rests in utilising different ways of managing which address the new realities of performance expectations and continually reducing public funding. This means first measuring and then improving performance in all aspects of University life and making those improvements public and open to scrutiny. Overall, it means increasing the effectiveness of Universities in every dimension.

How then can these things be achieved? Perversely, the answers are mostly held within Universities themselves. They have undertaken and paid for substantial research in the field of management over recent years. This research is being exploited in commercial organisations but the Universities have taken little notice (other than of what Stafford Beer calls the 'epiphenomena', i.e. the published papers and books which demonstrate that the research is taking place). I have selected two major themes which I believe Universities should adopt and which would enable them to address the new realities much more coherently.

The first is to draw on the ideas of organisational cybernetics ('the science of effective organisation') to redefine their purposes and redesign their management structures. This may be expected to lead to considerable devolution of power allowing substantial decentralisation of decision making. These changes would make the organisations much more responsive to the changing environment and may well challenge the historical, structure and role of the University Senate or Board of Governors. A challenge which may be unwelcome to the current holders of power, since they threaten the established order but which might be necessary to overcome institutional inertia. Similarly, the traditional structures of departments, schools and faculties may need to be abandoned. However, the changes generate scope for cost reductions through the removal of layers of management and administration which do not directly contribute to the purpose of the organisation. They also enable increases in real accountability at the operating level of the University, i.e. amongst those who actually develop and deliver teaching and research programmes.

The principles of effective organisation have been in the public domain for many years and have been taken up enthusiastically in numerous cases ranging in size from individuals and partnerships to multi-national conglomerates and national governments with great benefits. There is no reason why they cannot be employed in Universities with similar impact. By way of example, a recent application of these ideas in a commercial organisation which thought of itself as efficient saw the administrative load of a group of managers reduced by over half. These managers, who had hitherto spent 50% of their time on routine administration, were subsequently able to devote an additional 30% of their time to their prime role of

Business Development with consequent, and very rapid, improvement in profit performance.

A second theme is to consider the development of strategic thinking in the last twenty years or so. The drive for Higher Education growth in recent years has led to the formation of many useful alliances between large and small institutions with benefits and drawbacks to both sides). Similarly, the need to generate additional income has spurred the development of Business and Management Schools under many different titles and guises and driven by various different disciplines from Accounting, through Information Systems to Engineering. These changes are creditable and usually profitable in the short term but potentially not, in the medium to long term, credible. Meanwhile rather than creating conglomerate organisations, much contemporary strategic thinking is about creating organisations which excel in a particular range of activities and which outsource or avoid activities where they do not or cannot excel, leaving them to the experts.

Universities have traditionally maintained 'excellent' departments, where they lead, or even control work in a particular field. At the same time they have maintained a substantial spread of areas where they might be considered only average or adequate. The decisions which perhaps must be made now are concerned with choosing areas in which the University is to be excellent and disposing of activities in which it is only adequate. This may mean, for example, 'swapping' departments with another University to create two centres of excellence, rather than maintaining four independent, but only adequate ones. It may mean making difficult decisions to close, or merge departments, to withdraw certain courses or degrees and lead to redundancies and reductions in overall size. Many organisations, notably the banks, are still going through this process, having recognised that there are neither enough excellent staff, nor enough excellent customers, for every outlet to offer a full service facility. What can be provided, through effective organisation, is a service focused on the community which is to be served. This community does not have to be geographically bounded since contemporary technology overcomes many historical limitations on service delivery.

A refocused University sector then has the scope to renegotiate funding arrangements on an entirely different basis. An excellent Business School should be able to generate a substantial part of its income through sponsored research and commercial consultancy – their laboratories are real organisations which have much of the funding and scope for experimental/developmental work. This has the added advantage of ensuring that material delivered to students is relevant to the needs of the end customers, and of creating greater potential for continuing education through academic/commercial links.

The reduced need for public funding in one or more disciplines of the University sector generates scope to readdress the funding arrangements for others where fundamental research and teaching are required for societal, rather than commercial,

purposes. Thus public spending on higher education can be focused more directly on those areas where it is needed most.

These changes would need to be supported by others which there is not scope within this article to explore. However, up for consideration should be issues such as the rewards paid to individuals for generating sponsorship and consultancy income to the institution, the overhead demanded by many institutions on research projects (between 40% & 90% in my experience) and the role (and rewards) of contract, part-time and self-employed workers within the system.

While it would be possible to develop these themes further, the essential point has been made – adapt or die. The argument for increasing the level of public funding of higher education will not be worn in the short to medium term. Universities must respond to the pressures positively, embracing radical change and this needs to be undertaken now while time remains for careful, considered decisions. The alternative is to be caught in the rush to change when the first of our institutions fails.