Positioning Higher Education Institutions
From Here to There
Rosalind M. O. Pritchard
Ulster University, UK

Attila Pausits
Danube University Krems, Austria

and

James Williams (Eds.)
Birmingham City University, UK

Higher education is of growing public and political importance for society and the economy. Globalisation is transforming it from a local and national concern into one of international significance. In order to fulfill societal, governmental and business sector needs, many universities are aiming to (re-)position themselves. The book initially considers their “compass”. They aspire to transformational planning, mission and strategy in which social justice is important, people are not treated as mere means to an end, and traditional moral positions are respected. This transformational urge is sometimes vitiated by blunt demands of new public management that overlook universities’ potential for serving the public good. The volume then addresses universities’ success in meeting their targets. Often the challenge in evaluation is the need to reconcile tensions, for example between structure and pastoral care of students; institutional competition and collaboration; roles of academics and administrators; performance-based funding versus increased differentiation. Measurement is supposed to provide discipline, align institutional and state policy, and provide a vital impetus for change. Yet many of these measurement instruments are not fully fit for purpose. They do not take sufficient account of institutional missions, either of “old” or of specialist universities; and sophisticated measurement of the student experience requires massive resources. Change and positioning have become increasingly key elements of a complex but heterogeneous sector requiring new services and upgraded instruments.
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Edited by

Rosalind M. O. Pritchard
Ulster University, UK

Attila Pausits
Danube University Krems, Austria

and

James Williams
Birmingham City University, UK
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INTRODUCTION

The European Association for Institutional Research (EAIR) has existed since 1979 and brings together practitioners and researchers from all levels of higher education across Europe and further afield. It has as its strapline “linking research, policy and practice”. The present volume emanates from a conference held in 2015 at the Danube University Krems, Austria, at which current position of higher education was considered. The actual title of the Forum was “From Here to There: Positioning Higher Education Institutions”; the conference organisers were conscious of new university missions, profiles, activities and pressures making universities strive to optimise their niche in the academic ecology. The book’s contributions come from twelve countries: Australia, Austria, Belgium, Bulgaria, England, Finland, Germany, Norway, Portugal, South Africa, The Netherlands and the United States of America. They are authored by twenty seven scholars from four continents. Given the mandate to consider “positioning” and direction-finding, they are understandably concerned with measurement and institutional co-ordinates – their validity, credibility and impact. The first section focuses on institutional research and policy: the making of missions, the value basis of higher education and the structuring of strategies. The second section focuses more upon practice: the institutional impact of measurement at global, national and local levels. In their concern to link research, policy and practice, the editors have sought to do justice to the EAIR’s core commitment as expressed in its strapline.

Manja Klemenčič presents a chapter based on her keynote speech to the conference in which she draws on her experience of higher education (HE) in Central and Eastern European (CEE) countries. These are undergoing the transition from communist rule to democracy and from state-rulled economy to liberal market economy. She examines how institutional positioning supported by institutional research affects practice in the CEE region. In particular, she considers the question of balancing public expectations with HE autonomy. Decision-makers within these higher education institutions (HEIs) face both challenges and opportunities: they are under pressure from government to do more with less, but they also have the capability of strategically positioning themselves within their operating environment – a context in which the government and the public do not always believe that HEIs serve the public good. In order to understand and master this sometimes hostile context, they need to develop “contextual intelligence” focusing
on the changing political and economic ecology and their place within it. In this
endeavour, institutional researchers can be of real assistance, enabling HEIs to move
from reactive to proactive strategic planning. This type of planning, however, is
often in tension with government demands for enforced data reporting and funding
models in which input-based models are replaced by output models that include
performance indicators. Smart institutional planning and strategising may be
overshadowed by mandatory accountability required at the international level (e.g.
by the European Union Standards and Guidelines) as well as by the national and
local bodies. Institutional research needs to change from being mostly descriptive
towards becoming transformational.

Budgetary reforms, autonomy and accountability, accompanied by a new
management style, are probably the most recognised foundations of new public
management (NPM) in HE. Bruno Broucker, Kurt De Wit and Liudvika Leisyte
perform an international comparison of NPM over ten countries. They study the
timing of NPM according to whether its national adoption is early-, mid- or late-
onset, but they also caution that this knowledge, which is an output of their study,
does not tell us whether NPM will continue to be a major driver of reform. In fact,
some countries are now confronted with the negative consequences of NPM, and
are turning to post-NPM models such as New Public Governance rather than NP
Management. It is often assumed that management is superior to collegialism, but
NPM can become one-sided and result in over-emphasis of the economic rationality
of higher education reform. The deepest traditions and philosophy of HE are not so
easily changed, and carry with them a great potential for public good which is at
present under-exploited because of the excessive dominance of the market model:
moreover, different HE systems from different administrative traditions will not
necessarily follow the same paths of reform.

Given the great challenges of marketisation, massification and managerialism,
universities may feel subject to a Faustian pact in which they must sacrifice mission
for money. This, however, somewhat overstates the case: surely the solution lies in
finding the right balance? Pepka Boyadjieva and Petya Ilieva-Trichkova discuss this
balance focusing on the question of how HEIs can do justice to their historical mission
whilst surviving and thriving in a climate of austerity. They point to the “capability
approach” which emphasises not so much outcomes as the options available to
agents: their freedom and personal identity development; their opportunities to
achieve justice and well-being in a critical evaluation of current developments in
higher education. The authors link this with an institutional perspective in which they start from ends rather than means: they ask what has ultimate value, and only
at a second stage do they ask what means are needed to secure these ends. This
perspective inverts the more pragmatic “bottom-up” procedure in which one starts
from available resources and tries to systematise the missions and roles actually
performed by HEIs. It seeks to adopt a transformational view of higher education
in which social justice and equity are important, and in which people are ends, not
means. To validate this principled model, the authors study the inclusion and fairness
aspects of equity in access to higher education across European countries. Using empirical European data, they find considerable cross-country differences, and conclude that the European Union with its emphasis upon employability can be in serious tension with the traditional roles of education.

Maria Rosa, Cláudia Sarrico, Isabel Machado and Carolina Costa also address a European perspective: that of internal quality assurance systems (IQAS) which are supposed to comply with European Standards and Guidelines (ESG). Though in one way these standards are locally internalised, in another way they come “top down” and there is a real need to interpret, adapt and translate them. In some quarters, they are regarded as an intrusive bureaucratic system far removed from the most important activities of research and learning. Little is known about their actual implementation, hence the co-authors have conducted research on the theoretical underlying structure of the ESG Part I (for IQAS) by studying Portuguese academics’ perceptions of how it is implemented. Portugal is a paradigmatic choice for work of this type because the national accreditation agency explicitly uses the ESG Part I as a framework to certify the IQAS of its higher education institutions. Rosa et al. use a factor-analytical methodology to study the operationalisation of the seven ESG standards within Portuguese HEIs. The ESG has seven sections which led the researchers to anticipate that at least to a certain extent, seven factors would emerge from their respondents, each factor resembling a section in the ESG Part 1 guidelines. But this did not happen: only six scales emerged and these did not exactly match the standards proposed by the most recent version of the ESG. This failure of the ESG to resemble the constructs emerging from the empirical study calls into question its architecture. The co-authors believe that in future the ESG needs to draw more on the experience of those people who have to implement the standards in their HEIs. There needs to be a better relationship between the top-down and bottom-up perspectives; and attention needs to be paid to changing governance mechanisms.

In some respects, quality management (QM) may prove to be a Procrustean bed upon which institutions as well as individuals must lie. Georg Schulz demonstrates the problems of doing justice to the distinctiveness of arts universities in QM. National quality regimes that rely on quantitative indicators may fail to perform reliably in arts environments; and given the commitment of arts universities to subjectivity, originality, individuality and performance, it is understandable that their staff may fear being judged by inappropriate criteria in official QM frameworks. Nevertheless, Schulz takes the view that the so-called third mission of HE should apply to arts universities as well as to more conventional ones: their principles and practices can be adapted to the social and cultural challenges facing today’s world; artistic research at Master’s level, for example, can combine entry to the profession whilst also constituting a bridge to the Third Cycle; the artistic personality can in many instances acquire the skills necessary to sustain a freelance “portfolio” career. Institutional leaders need to understand the essential nature of artistic endeavour, and use this understanding to help reconcile the differing conceptions of merit in dominant multi-faculty cultures on the one hand and in specialised arts institutions.
on the other. By so doing, they will create a sense of community ownership rather than alienation on the part of their academic citizens.

_Theodor Leiber_ also concerns himself with distinctive identity and purpose. He addresses the issue of how mission statements are – or should be – composed. They must be brief but they give a summary of why the institution exists; what its goals are; how it strives for these goals; what its values are and where its vision will lead. A sample of the mission statements that he studies contains empirical goals that contribute to organisational identity and inform decision-making processes. Mission statements also react to the growing public concern with the societal, economic and geo-political roles of HEIs and address internal and external stakeholders. Some recommendations for composing mission statements are given in relation to length, number of items and content. _Leiber’s_ study corroborates the view that mission statements of higher education institutions are not just a short-lived management fad, but seem to be a relevant way of constructing the competitive positioning of decision-makers who have an informed self-understanding. However, because mission statements should be short, they need to be supplemented by various other instruments such as structure and development plans; target agreements; and strategy development on several organisational levels.

_Tony Strike_ and _Jacqueline Labbe_ take up where _Leiber_ leaves off by studying the composition of strategic plans. They base their study on a sample of British and international outputs, and adopt the innovative procedure of considering them as a kind of literary genre _per se_. They regard these texts as a way of escaping the “tyranny” of rankings thereby enabling institutions to escape the confines of imposed measures and express their mission and purpose on their own terms. They give agency to actors within HEIs, and achieve an approach that may be less reductionist than just observing performance metrics and rank orders. The literary analysis in its concern with tense, person, voice, style and audience ends up almost as a “how to do it” manual for those involved in the task of drafting an institutional strategic plan – though it leaves final freedom to the corporate authors. But a characteristic of such plans is that they are often expressed at a high level of generality, and are “directional” only in general terms: rarely do they specify in specific practical terms exactly what outcomes are to be achieved.

**HOW EFFECTIVELY ARE WE PROGRESSING TOWARDS OUR GOALS?**

In all of this, however, the key stakeholders of HE are the students: it is their voice that gives us an impression of the real state of the sector. However, methods of collecting feedback from students about their experiences of HE are all too often limited, mainly because they are used in isolation. In her chapter, _Sonia Whiteley_ highlights the need for an integrated approach to collecting data on student experience. Whiteley focuses on the Australian Quality Indicators for Learning and Teaching (QILT) survey programme which brings together a wide range of national surveys on aspects of the students’ experience, including graduate destinations, programme
evaluation and other matters. However, the chapter highlights the huge challenges of implementing such an ambitious programme. First, its scale is enormous, covering a population of up to a million potential respondents; managing this over an annual cycle of 10 months requires massive resources. Second, the programme engages new and diverse stakeholders in unfamiliar quality and data management processes. Third, the programme has had to address the issue of bringing together disparate approaches to collecting graduate feedback. The QILT programme offers an innovative approach to collecting student experience data but the age-old problem remains: will institutions actually use such data to implement effective improvement or will they be used, as Newton argued (2000), as part of the process of “feeding the beast” of external performance accountability and benchmarking?

The focus of much of the work on the student experience, however, has tended to be on undergraduate level programmes whereas the experience of the postgraduate research students has, until recently, been given remarkably little attention. In his chapter, Cornelius Fourie explores research students’ experience of supervision and highlights the deficiencies in support as well as suggesting ways of building the capacity of supervisory teams. Fourie’s work highlights the centrality of the student/supervisor relationship and its importance as a factor in students’ successful completion of their degree. The role of the supervisor is a dual one: it is both to create the structure for the student and to provide support. Fourie’s chapter also shows the importance of student feedback as a mechanism for informing institutional improvement processes.

Although increasing attention has been given to academics’ experience of HE, still very little has been written about the administrative staff from all levels. Ton Kallenberg makes an important contribution by surveying perceptions of both groups. This research focuses on the question of how academics and administrators currently relate to each other and to what extent the subgroups within these spheres function separately from and in relation to each other. It further examines the existence of the third space that he calls “professionals”: to what extent this group has actually emerged; and what the relationship is between these third space professionals and the spheres of both academics and administrators. Kallenberg claims that this group has emerged as HEIs have undergone transformational change in recent years and argues that the “professionals” are well placed to act as the link between these two traditional tribes. This change may involve a shifting balance within the interacting spheres; and this research supports one of the fundamental concerns of EAIR, which is to make links between academics and HE administrators.

A transformative change within contemporary HE has been the growth of co-operative and collaborative ventures at all levels of the sector. For academic and administrative staff, collaborative work appears to be increasingly common: even research funding bodies now have a tendency to encourage applicants to work in collaboration with others. In his chapter, Jürgen Deeg calls for a comprehensive approach to the study of collaboration and cooperation in HE. Deeg observes that individual academics and scientists collaborate through peer networks both within
and between disciplines, nationally and internationally, whilst HEIs are increasingly entering into partnerships with each other for strategic reasons akin to alliances in the business sector. Deeg argues that cooperation and collaboration between institutions offer potential for improvement and expansion but also pose serious challenges for traditional universities. However, owing to the huge variety of collaborative relationships and cooperative arrangements within the sector, there is no formula for success and while ideal-typical categorisations can be identified, they do not determine steps and measurements to be taken. The interplay of competition and collaboration is fragile, and the hope of achieving “win-win” outcomes needs to be tempered by some prudent realism.

Jussi Kivistö and Vuokko Kohtamäki draw our attention to the field of performance based funding (PBF), this being an NPM tool to encourage HEIs to move from an input to an output oriented operation and to make them more accountable and effective. As highlighted in the chapter, a majority of European higher education systems use PBF at least to some extent. However we know little about the impacts of PBF on HEI performance and behaviour in Europe. A state of the art literature review has been used in this chapter to discern how far PBF affects or does not affect the behaviour of HEIs. Based on this, Kivistö and Kohtamäki conclude that PBF is sometimes symbolic rather than “real” and that one of its most important functions is to align the goals of HEIs with those of the state. Yet this is not always easy: there are flawed incentive structures (e.g., performance indicators that conflict), and the amount of funding related to PBF is often too small to matter. It is also possible that HEIs do not want to comply with PBF incentives, because they are in principle opposed to the policy goals which PBF indicators represent. The authors’ unambiguous conclusion is that PBF policies have not, so far, impacted positively on HEI performance, and that current funding levels tied to PBF programmes are insufficient to bring forth positive changes in institutional performance. They conclude clearly that the European Higher Education Area requires quantitative analysis to learn more about the impact of PBF, both for academic and practical reasons.

Hans Vossensteyn and Don Westerheijden also underline the importance of performance orientation within NPM by studying governance relationships as implemented in fifty seven Dutch institutions: both traditional universities and universities of applied sciences. In the Netherlands, to stimulate the public value of HE in terms of societal relevance and to focus on particular outcomes, governments reward higher education institutions when they follow defined priorities; and they plan to penalise HEIs by up to 5% if they fail to reach their performance targets, some of which are quantitative and some qualitative. In principle, PBF can be used to establish a “new” steering philosophy to achieve over-arching objectives, and to diversify HEIs. Instead the institutions are voluntarily following very similar paths, and diversification tends to be internal rather than external. Moreover, distortions have appeared in course delivery: e.g., sometimes there is a proliferation of student hours instead of “value added” to existing hours, so quality does not necessarily
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In many cases, PBF is coercing HEIs into an unbalanced focus on efficiency which is a “hard” indicator eclipsing profiling and quality of education; it gives little choice to HEIs and is failing to achieve diversification, hence the policy objectives remain so far largely unfulfilled.

Per Olaf Aamodt, Rune Borgan Reiling, Stein Bjørnstad, Mirjam Snåre and Edvin Finnanger also address themselves to the funding of HE – this time in Norway where they report upon a project entitled “Cost-Mapping in Higher Education”. Norwegian funding models are changing from earmarked systems based on historical allocations to those based upon outputs, and including an incentive-based component of 40%. The chapter compares the costs of educating students in selected study programmes across a range of HEIs, and identifies cost drivers in a way that facilitates comparison between specific HEIs; between groups of HEIs; and between programmes. The country uses a standard accounting plan which has enabled the authors to normalise costs as “costs per student credit” in a methodological approach that can act as a pilot for HE cost analysis in other countries too. An important finding is that there is no systematic variation by size: there is no economic advantage in being a large institution. The old research universities do have higher costs per student than the university colleges or the new universities. However, one should not conclude that the old universities are less cost-effective: they have a different institutional mission, are more research-intensive and are responsible for most of the training at doctoral and Master’s degree level. In addition they have a greater responsibility for museums and historical libraries etc. Since all these cost factors are included within the credit points produced by the ordinary students, the cost per credit point at the old universities necessarily will be higher than at the university colleges. Therefore, one should be careful in drawing conclusions based on comparison between institutions with very different profiles and responsibilities. Aamodt et al. caution that the new funding model tends to steer faculty and administration in new directions that may be at odds with the institutions’ core missions. However, they also believe that their project technically advances methods of analysing cost patterns in higher education, facilitating both the internal steering of HEIs and the development of national or even international policies.

CONCLUSION

The reader is left with the impression that the steering of higher education is often too “top down” and lacks sufficient contact with reality. Strategic plans do not necessarily state a definite course of action. That would be to offer a hostage to fortune. Attempts to diversify by means of performance-based funding may not always function as anticipated. Even European standards and guidelines do not always manifest face validity when operationalised, and the “beast” of quality assurance may need to be tamed in response to the gentler needs of arts universities. The New Public Management from which much was expected is not always appropriate for higher education, and the “freedom” that neo-liberalism touted has not led to a
retreat of the government (vide Broucker et al.). On the contrary, power is reasserted through the process of regulation. Though most of the measuring instruments in the second section of the book have clear limitations, transformational institutional research is what we strive for; and the internalised academic values that constitute academic essentialism are still an important lodestar.

The contributions to this volume cover an extremely broad array of topics but provide three clear lessons to the sector. First, whilst institutional leadership is increasingly concerned to develop mission statements and locate the HEIs in a wide range of league tables, there appears to be little clear headedness about the meaning of such activities. Arguably, there is a great deal of empty rhetoric about institutional positioning with regard to strategy and ranking: there seems to be little reflection at institutional level on whether either of these things is useful to an institution or whether the position in any particular ranking has any effect whatsoever on such matters as student recruitment. Second, the chapters highlight the value of good institutional research to the development of policy and positioning but they contain also an implicit critique of existing research instruments. The case of stakeholder feedback is particularly pertinent. Whilst feedback is routinely collected across the sector on all aspects of stakeholders’ experience, little attempt is made to triangulate such data or to view those data as informing improvement. Third, movements such as NPM and approaches such as PBF are clearly having an impact: individual institutions and the sector as a whole wrestle with continuing financial challenges because public funding is increasingly being replaced by student fees and corporate sponsorship. These developments appear to challenge the very essence of the academic endeavour by calling into question the nature of the academic as free thinker and citizen of the Republic of Letters. There is, of course, one further lesson that can be drawn from the collection in this volume: the breadth of work being undertaken by members of the EAIR is extraordinary. After 38 years of existence, the Association is clearly thriving but also has potential to help the higher education community reflect on itself and move forward.

REFERENCE
PART I

CREATING THE INSTITUTIONAL COMPASS: VISION, VALUES, MISSION AND STRATEGIES
1. THE ROLE OF INSTITUTIONAL RESEARCH IN POSITIONING UNIVERSITIES

Practices in Central and Eastern European Countries

INTRODUCTION

The region of Central and Eastern Europe (CEE) is a political construct which refers to all the Eastern bloc countries west of the former Soviet Union, the independent states in former Yugoslavia, the three Baltic states (Estonia, Latvia, Lithuania), and sometimes Austria. Over the past twenty-five years, all the countries in the region except Austria underwent transition from communist rule to democracy and from state-rule economy to liberal market economy. The former Yugoslav Republics became independent countries, some after a period of ethnic conflicts and war. The Baltics became independent states from the Soviet Union. Others were released from the direct influence of the Soviet Union or from autocratic dictatorships, as in the case of Albania and Romania.

As the CEE countries changed politically and economically, their higher education systems were also reformed. In the last fifteen years, these countries have experienced the most wide-reaching and frequent interventions to their higher education systems in the shortest span of time ever in history. As elsewhere in Europe, in CEE a decade or more of massification in student demand for higher education was not followed by corresponding increases in state funding. The extent and proportion of public funding for higher education vary across CEE as do knowledge policies (higher education, research and innovation) adopted by various governments. These reflect the diverse regional approaches to economic and social policies – from continuous state-regulated social welfare regimes to extensive market deregulation and liberalization. However, a common point of reference in all CEE has been the European Union and the Bologna Process concerning the establishment of the European Higher Education Area (EHEA), which led to policy convergence in some areas such as degree structures, quality assurance, recognition of qualifications, research and innovation and internationalisation (Dakowska & Hamsden, 2015; Vukasovic, 2015). Yet some areas are more resistant to change than others, and due to the diverse historical circumstances and different dynamics of transition, the systems and institutions in CEE continue to be diverse.

The present chapter will focus upon the extent to which institutional positioning supported by institutional research plays a role in the flagship universities in the
The analysis includes six Central European countries: Austria, Croatia, Poland, Romania, Slovenia and Serbia, and draws on empirical data published in Klemenčič et al. (2015) on decision support issues in CEE; on the study of higher education reforms in the Western Balkans (Zgaga et al., 2013); and on study of higher education governance in Europe (Eurydice, 2008). We shall explore institutional research as a practice “of collecting, synthesizing, and analyzing institutional data to fulfill mandatory reporting requirements, assessment and to support university decision-making and planning” (Klemenčič et al., 2015, p. 72) and shall link it with the capabilities of flagship universities in Central and Eastern Europe to strategically position themselves in higher education markets locally and internationally.

CONCEPTUAL CONSIDERATIONS: IMPERATIVES AND CAPABILITIES FOR STRATEGIC POSITIONING

The term “positioning higher education institutions” implies that higher education institutions – or actually decision-makers within these institutions – have both imperatives and capabilities to strategically position themselves within the external context. These external contexts involve global higher education markets as well as the local communities within which the institutions are embedded. Fumasoli and Huisman (2013) define institutional positioning as the process through which higher education institutions locate themselves in specific niches within the higher education system and these niches (sets of relations) are expected to contribute positively to institutional functioning and performance. Institutional positioning is indeed one aspect of wider-reaching processes of strategic planning and institutional development which typically aim for a combination of goals, such as institutional efficiency, better performance and indeed improved reputational standing.

The imperatives for institutional positioning come from two well-rehearsed sets of global trends. First, an increasing market orientation in higher education implies increasing competition among higher education institutions for scarce resources, such as – most notably – academic talent and funding. Institutions with better reputational status tend to be more successful in attracting talent. Talent attracts more talent which in turn attracts financial resources (for example by being more competitive in applying for European Union research funding or by attracting fee-paying students); it feeds social development and economic growth through knowledge exchange, and as such helps to reproduce institutional status and prestige (Klemenčič, 2015a). Furthermore, university rankings present themselves as a powerful instrument determining and reinforcing the status and prestige of universities in global positional competition (Hazelkorn, 2015).

Second, the governments and the public pose more specific and wide-ranging demands on higher education institutions to address the various societal needs. There are explicit expectations integrated in various research assessment instruments and performance measures for scholars and institutions to demonstrate societal impact from publicly funded research. From the previous assumption that higher
education and research are inherently good for the society and the peer review
nature of assessing scientific output we have moved in the last twenty years to a
new area. Governments and public research funding bodies demand that researchers
and institutions should demonstrate “the societal products (outputs), societal use
(societal references), and societal benefits (changes in society) of [publicly funded]
research” (Bornmann, 2013).

Both trends inevitably link higher education institutions more closely with the
society in which they are embedded and strengthen their engagement with local
communities, which is referred in the literature as strengthening the “third mission”
of higher education institutions, next to teaching and research. In a special issue
on third mission in higher education, published in the *European Journal of Higher
Education* and guest edited by Romulo Pinheiro, Patricio V. Langa and Attila Pausits
(2015), the argument is put forward that many of the major tensions surrounding the
third mission still remain unresolved. One such tension revolves around the question
of how to balance public expectations with HEI autonomy and the academic
freedom of constituencies – staff and students. This question brings us directly to the
discussion of capabilities for institutional positioning.

Capabilities for institutional positioning are real opportunities and positive
freedoms of institutions – i.e. their decision-makers – to critically shape institutions’
responsiveness to the higher education environment for the purposes of institutional
sustainability and improved functioning (adapted from Sen, 1999). Institutional
capabilities, thus, highlight what the institutions are able to do and to be within the
higher education systems and markets; and what it is that the institutional leaders,
students and staff can do in the name of the institution to contribute to the institutional
goals whatever these may be. Institutional autonomy and academic freedom of
internal constituencies lie at the core of capabilities for institutional positioning and
institutional development more broadly.

### INSTITUTIONAL GOVERNANCE AND STRATEGIC
MANAGEMENT APPROACHES

Whereas academic freedom is an individual right or at least a condition pertaining
to institutional leaders, individual staff members and students (Berdahl, 1990),
institutional autonomy refers to positive freedoms of institutional leaders to take
strategic and operational decisions on behalf on the institutions (Pritchard, 1998).
It also refers to higher education institutions operating and being governed in
the absence of interference by external parties in decisions (King, 2015), which
comprises organizational, policy, financial and human resources, as well as strategic
priorities and actions.

The principle of institutional autonomy implies granting institutions the right to
decide by themselves on their internal organisation and operational conduct, while
remaining accountable to their main stakeholders (Klemenčič, 2013). In view of
the quest for universities to be more responsive to the socio-economic demands,
this approach favours participation of external stakeholders – especially from industry and government – to increase accountability and cultivate links with the broader environment (Teichler, 2006; Bleiklie & Kogan, 2007). These are typically included in the external university boards, as part of general tendency towards the creation of managerial infrastructures parallel to academic ones, leading to a shift in decision-making from the collegiate governing bodies to managerial bodies (de Boer et al., 2007; Amaral et al., 2003; Maassen, 2003). The underlying expectation is for universities to act more as corporate institutions (Shatlock, 2009). By incorporating management practices from the private sector to public services, the aim is to increase the efficiency and effectiveness of institutions by giving them more autonomy while demanding more accountability (Klemenčič, 2013).

The governments have begun to look for new ways to govern the higher education sector, trying to come up with instruments of regulation and control which are accepted by the sector as legitimate and are effective in steering the system. There has been a rise in external and internal evaluation and accountability mechanisms to this effect (Stensaker & Harvey, 2011). Accountability means that HE institutions have to use public funds responsibly and pursue their operations in line with the governmental and general public expectations (Klemenčič, 2012). The institutions need to demonstrate this through various performance evaluations and other control mechanisms. While the relationship between the state and institutions has shifted from state control to state supervision (van Vught, 1989), the state remains interventionist in an evaluative sense (Neave & van Vught, 1991; Klemenčič, 2012). The evaluative state has developed more procedural policies (Musselin, 2009), and delegated evaluative competencies to independent agencies, such as quality assurance and accreditation agencies, research funding agencies and education councils (de Boer et al., 2007; Klemenčič, 2012).

External evaluations of institutional performance have contributed to strengthening of institutional leadership and management (Välimaa, 2011), and paved a way for strategic planning and strategic positioning also in institutions where these functions were previously non-existent or underdeveloped. In fact, in many European countries, the state mandates the institutions to prepare multi-year strategic plans. These contain not only the goals and objectives, but also specify resources and activities needed for implementation, timeline and units or individuals responsible for implementation. These strategic plans are frequently directly linked to performance-based funding formulas.

While the financing formulas continue to be debated across Europe, the overall trend is towards shifting the burden of financing public HE from the governments to the institutions and linking funding to performance (Klemenčič, 2013). Institutions bearing a rising burden of self-financing are trying to compensate by strengthening links to business and industry, and especially by increasingly passing the cost burden on to students. These circumstances call for more strategic planning and institutional positioning if the universities are to ensure financial sustainability.
For most institutions, relations with various funding bodies and with global league tables are one of the key aspects of the positioning game. Both funding bodies and ranking agencies tend to outline very specific performance indicators which inevitably become targets for higher education institutions (Cowburn, 2005), and which guide data collection to supply evidence of achievement. Such exogenously driven institutional research does not necessarily aid strategic planning. As Cowburn (2005, p. 105) suggests: “[t]his approach tends to force institutions away from a pro-active strategic approach towards reactivity – demands coming in thick and fast, tight timescales pushing institutions into making decisions and taking up opportunities that may not be in their best interests – thus impeding clear strategic thinking.” At the same time, the need for monitoring performance increases the role of institutional research within the institutional governance.

Strategic planning implies a deliberate well-thought-out process whereby actions are chosen on the basis of carefully considered goals followed by rigorous analysis of strategy options – as emerging from available resources and opportunities and their probable consequences. Yet the everyday reality of decision-making within higher education institutions (or indeed any social organisation) is hardly such a conscious and intentional process. Furthermore, intelligence for informed decision-making is rarely readily available. Institutional leaders need to take decisions in the fast-changing and complex higher education environment. Information – if available at all – is imperfect and incomplete within structures which are multi-layered, heterogeneous and embedded in internal politics. To put it simply, the world in which higher education leaders take strategic decisions is messy and fairly unpredictable.

To discourage the institutions from reactive (rather than pro-active) decision making, governments have imposed on public institutions the task of preparing multi-year strategic plans. A similar task is imposed by legal owners and boards of trustees in private institutions. As Taylor and Machado (2006, pp. 146–147) suggest, strategic planning has been advocated “as the key to superior institutional and system performance”, yet strategic planning has also often failed. The reasons for failure lie in vague – platitudinous – language applied in strategic plans without clearly spelled-out objectives, timelines, available resources, responsible units and individuals to coordinate and monitor the implementation. What we often find in universities’ strategies is a “mission-overload” whereby institutions seek to excel in too many functions and are unable to select some where they truly hold competitive advantage enabling them to profile themselves. This mission overload translates into excessively broad, unrealistic aims and objectives in strategic plans, which serve more as an exercise in external relations and marketing than as a management tool. Strategic plans also fail when there is high resistance from internal constituencies, poor management to oversee implementation, unsuitable people involved in planning, and if strategic planning has proved to be “a bureaucratic, rigid and cumbersome data-intensive process” (Taylor & Machado, 2006, p. 148). This later
INSTITUTIONAL RESEARCH IN UNIVERSITIES: PURPOSES, STRUCTURES AND PERSONNEL

The classical definition by Saupe (1990, p. 5) conceives institutional research as “research conducted within an institution of higher education to provide information which supports institutional planning, policy formation and decision making”. Saupe further specifies the three key functions of institutional research as supporting institutional governance, institutional evaluation and general data management. The question arises how these various functions are balanced within individual institutions and, especially, whether and to what extent institutional research is applied to inform ingenious strategic planning such as decisions on institutional positioning. The proposition put forward is that for purposes of deliberate strategic positioning institutional research is indispensable and especially institutional research towards developing contextual intelligence. Contextual intelligence focuses in particular on the changing political and economic environment, constellations of possible strategic partners and of competitors, availability of and competition for various academic resources, and so on, all of which are indispensable for decisions on institutional positioning (Terenzini, 2013).

Before further advancing this proposition, it should be noted that institutional research as defined above has already been practised in the United States since 1950, while in Europe the practice of institutional research is much more recent, highly varied across countries and institutions, and in purpose different from the American practice (Klemenčič & Brennan, 2013). Both American and European institutional research refers to the practices of collecting, synthesizing, and analyzing institutional data. However, whereas American institutional research primarily informs institutional decision-making and planning, European institutional research also (and sometimes primarily) feeds into fulfilling mandatory reporting requirements to the state and into external quality evaluations and accreditation (Klemenčič & Brennan, 2013). Another difference lies in how institutional research is ‘institutionalized’ within governance structures. Whereas American universities tend to have a fairly centralized institutional research unit, in European institutions the delivery of institutional research is typically scattered across different administrative offices rather than joined in one unit (Klemenčič & Brennan, 2013). However, also in Europe the trend is to try to connect institutional research and quality assurance units and link both to strategic planning. As suggested by Klemenčič and Brennan (ibid., page 269): “[O]ne major commonality across Europe is that the expansion and professionalisation of institutional research is related to and increasingly integrated into the systematization of quality assurance at institutions. This effectively means that new units are erected within institutional governance structures which tend to combine several functions that are associated with institutional research. In other
words, data management, internal and external reporting and advising for institutional governance have been blended into the management of quality assurance.”

The demand for contextual intelligence also raises demand for more varied competences amongst institutional researchers. Herein lies another difference between US and Europe. Whereas in the US, institutional researchers enjoy an established professional identity and ample academic programmes to acquire professional degrees and or pursue professional development, in Europe career paths of institutional researchers are highly ambiguous, academic programs are only emerging (and predominantly focusing on general higher education management or – at best – quality ‘assurance’); and the ‘hybrid professionals’ conducting institutional research neither have a notable job market nor institutional identity (Klemenčič & Brennan, 2013). Work remains to be done by associations such as EAIR to affirm the practice of institutional research and sustain the professional identity and professional community of institutional researchers.

In the everyday decision-making within higher education institutions many decisions regarding strategic positioning will be taken incrementally. Historic legacies, existing relationships, established cooperative practices and habits of mind are the ones that shape institutional responses to achieving sustainability and improved functioning (cf. Krücken, 2003). And then there are external prompts, such as the yearly publications of ranking tables or research assessment exercises or performance funding negotiations that create a bit of steer and reflection upon grand transformations, which indeed are difficult to achieve, if they are at all possible or even desirable. For deliberate strategic positioning on however small a scale, institutional research is, however, indispensable. Without proper intelligence developed in-house, directed to the specific questions of institutional leaders and geared toward specific institutional purposes, the institutions all too easily become subject to the influence of league tables, comparing themselves with the world-class universities even if their profile, resources and location disqualify them from playing in the world-class league (Klemenčič, 2016). In other words, in absence of any other contextual intelligence, the institutions may lose sight of what excellence means in their particular case, what is relevant and how they can achieve it. The crude measurements of excellence imposed by rankings may distort the authentic purposes and mission of the institutions in questions, and distort the sense of their strategic niches and the relations they should cultivate to achieve these.

INSTITUTIONAL GOVERNANCE AND STRATEGIC POSITIONING
IN CENTRAL AND EASTERN EUROPE

The predominant governance model in Central Europe is Humboldtian: most of the countries subscribe or had returned to that model after the social transformation (Scott, 2007; Pritchard, 1990, 2015). Before the 1990s, in Serbia, Slovenia and Croatia, the model of the socialist self-managed society and economy was applied to the governance of higher education systems and higher education institutions
The basic legal entities were faculties, art academies and colleges – not the university which was only an umbrella institution without many managerial and academic powers (ibid., 39). Fragmentation of university organisation is a consequence of that model. Romania had a Napoleonic tradition of state serving elite institutions and was subject to full control of the state when it came to decisions on university operations. The organizational characteristic of the Humboldtian model is academic self-governance with collegial decision making, and weak university managerial structures. Yet, governance of universities as public sector organisations has been changing due to changes in government steering and developments in higher education markets for students, academics and financial resources (Enders et al., 2008).

At the beginning of and during the 1990s, legislators in transition countries focused on the new general framework for higher education which had been profoundly challenged everywhere by the overturn of the political system and by the economic conditions. Creating legal provisions which would ensure academic freedom and institutional autonomy has been crucial in this regard. Only in Serbia, where in 1998 Milošević government imposed a legal amendment which very strongly interfered with the traditional autonomy of universities; this process was delayed until the beginning of the 2000s when a new democratic government by Zoran Đinđić came to power (Zgaga et al., 2013). Consequently, the governments were looking for more legitimate instruments to steer the system: they redefined and upgraded external quality assurance mechanisms, promoted competitive research funding and gradually began inserting performance conditionality into funding arrangements. The more market-oriented conception of higher education was promoted in the transition countries also by various external agencies, such as the World Bank and OECD, and later through the modernisation agenda for higher education in Europe by the European Commission (ibid.).

Austria was among the first of the six countries to introduce funding agreements in 2004 (Klemenčič et al., 2015). These are basically contracts between the federal government and the universities under which progress in the fulfilment of performance targets is monitored through annual ‘Intellectual Capital Reports’ (File et al., 2013). Poland too, was among the first countries in Europe where output-based criteria played an important role in funding (Jongbloed et al., 2010). In Romania, the new Law on Education in 2011 also introduced differentiated funding based on performance (Klemenčič et al., 2015). Next to core funding, which is incremental, there are also supplementary, complementary and institutional development components which are allocated to universities, based on the quality criteria and standards. Slovenia is combining a formula-based system, which includes output-based elements with contracts that specify targets and goals for universities (Klemenčič, 2012; File et al., 2013). In Croatia, no output criteria were used in funding arrangements until the academic year 2012–2013, but the latest reform of the institutional funding system is introducing contract-based funding, using both input-based and output/performance-based criteria (Šćukanec, 2013; File et al., 2013). In Serbia, the 2005 Law on Higher
Table 1. Internal governance of universities (adapted from Eurydice, 2008, and own research)

<table>
<thead>
<tr>
<th></th>
<th>Austria</th>
<th>Croatia</th>
<th>Poland</th>
<th>Romania</th>
<th>Serbia</th>
<th>Slovenia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic body</strong></td>
<td>Senate</td>
<td>Senate, at least 60% are academic staff, at</td>
<td>Senate</td>
<td>Senate (25% students)</td>
<td>Senate, at least 20% students</td>
<td>Senate, at least 20% students</td>
</tr>
<tr>
<td></td>
<td></td>
<td>least 10% students</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Decision-making</strong></td>
<td>University Council</td>
<td>Senate</td>
<td>Senate</td>
<td>Senate</td>
<td>Senate</td>
<td>Senate</td>
</tr>
<tr>
<td><strong>body</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Advisory/</strong></td>
<td>University Council (external stakeholders only)</td>
<td>Advisory Council (mixed internal and external stakeholders)</td>
<td>Council (optional; possibly only external stakeholders)</td>
<td>None</td>
<td>Council (2/3 academic and admin staff, 1/3 students and founder)</td>
<td>Governing Board/ Council of Trustees (internal and external stakeholders)</td>
</tr>
<tr>
<td><strong>supervisory body</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Executive head</strong></td>
<td>Rector elected</td>
<td>Rector elected internally</td>
<td>Rector elected internally</td>
<td>Rector elected internally</td>
<td>Rector elected internally</td>
<td>Rector elected internally (student vote 20%)</td>
</tr>
</tbody>
</table>
Education introduced a negotiated funding model; however, in practice “the new model has not been implemented; instead, higher education institutions have been funded through the system of direct financing [based on previous years’ allocations]” (Vujačić et al., 2013, p. 16). Funds, which are earmarked for specific use by the government, are sent directly to the academic units based on the relevant funding category according to number of students, staff, academic programmes, etc. (ibid.). But even in Serbia, as well as in other former Yugoslav countries, the reform of funding towards a more output-oriented model is in sight (Klemenčič, 2013).

Changes were underway also in university governance arrangements. Some of the most common changes have been introduction of university boards to institutional governance with participation of external stakeholders (from industry, business and government), although the actual competences of these boards vary across countries (see Table 1). Only in Austria is the University Council, which consists of external stakeholders, also a decision-making body “responsible for long-term and strategic planning and for determining the institutional orientation” (Eurydice, 2008, p. 33). The Senate must approve the development and organisation plans; however, most decision-making responsibilities fall under the competence of the University Council (ibid.). In other countries such bodies perform supervisory functions (Poland, Serbia and Slovenia). There is no external board in Romanian universities.

Despite the introduction of external boards, with the exception of Austria, these have not adopted decision-making functions which include strategic planning. Strategic planning has remained in the hands of Rectors to be confirmed by the academic Senates. These, coming from the ranks of academics, are rarely well prepared to take on managerial responsibilities. The habits of mind and routines of institutional management in all countries except Austria carry the legacies of the past system where the state administration micromanaged universities and institutional leaders had neither real decision-powers nor responsibilities for strategically managing universities.

INSTITUTIONAL RESEARCH IN CENTRAL AND EASTERN EUROPE

Looking at the institutional research practices in Central and Eastern Europe and strategic positioning, several observations can be made. Like elsewhere in Europe, universities in Central and Eastern Europe are caught between enforced data reporting (deriving from accountability to government) and institutional research for strategic development (because universities want to do better).

Reforms of quality assurance have important implications for institutional research. The Standards and Guidelines (Bologna Process, 2009, pp. 18–19) mention explicitly that “[i]nstitutions should ensure that they collect, analyse and use relevant information for the effective management of their programs of study and other activities” and that “[i]nstitutions should regularly publish up to date, impartial and objective information, both quantitative and qualitative, about the programs and awards they are offering”. Furthermore, the recommendations provide the following
guidelines so as to achieve this ‘standard’: “Institutional self-knowledge is the starting point for effective quality assurance. It is important that institutions have the means of collecting and analysing information about their own activities. Without this they will not know what is working well and what needs attention, or what the results of innovatory practices are. The quality-related information systems required by individual institutions will depend to some extent on local circumstances, but they are at least expected to cover: student progression and success rates; employability of graduates; students’ satisfaction with their programs; effectiveness of teachers; profile of the student population; learning resources available and their costs; the institution’s own key performance indicators” (Bologna Process, 2009, p. 19). The implementation of European Standards and Guidelines both at the system and at the institutional level has been extremely diligent (Loukolla & Zhang, 2010). In all of the examined countries we observe strengthening of the external quality assurance bodies and processes at the system level, as well as further development of internal quality assurance structures and procedures; both resulting in more developed practices of data collection, analyses and reporting on university operations (Klemenčič et al., 2015).

The changes in public funding mechanisms have also affected institutional research practices. The systems for allocating state funds to higher education institutions have been changing from the exclusively input-based models to funding schemes that include performance indicators (ibid.). There are fundamental differences in the type of data and reports requested from universities by the governments in the incremental funding scheme where allocations are based on previous years’ allocations; formula funding where allocations are calculated using standard criteria for all institutions; negotiated funding where allocations are based on negotiations over a budget proposed by the institutions; and contract funding where allocations are based on meeting the targets agreed in a performance contract (Jongbloed et al., 2010, p. 47). Since public funding continues to be the predominant source of university financing, the shifts in funding models construct a whole new array of reporting requirements and fundamentally change the nature of mandatory reporting, data collection and university financial management (Klemenčič et al., 2015).

The reporting requirements for universities are thus changing due to the changes in quality assurance and funding arrangements set by the governments. Consequently, these are pushing for institutional changes in structures and processes of institutional research. However, in all of the case countries, with exception of Austria and Romania, the changes in regulatory mechanisms, and thus reporting requirements, have not yet been such as to push for a dramatic turn towards performance-based management practices at universities.

There are several reasons why this is the case. First of all, the mandatory reporting requirements are substantial. The practice of institutional research to support institutional decision-making and strategic planning tends to be overshadowed by the task of fulfilling the mandatory reporting requirements. Apart from the national funding bodies, statistical offices, quality assurance and accreditation agencies,
universities report also to the various ranking agencies, such as U-Multirank, QS, ARWU, THE, and Green Metric Ranking.

Second, the institutional research function at most universities is still rather underdeveloped. In universities with the most advanced systems, such as in Austria and newly in Romania, the university provides senior management across the university with regular reports on the performance indicators. Elsewhere, university information systems are centralized, however non-integrated, which means that there are multiple data warehouses managed by different departments or people at the university level.

The development of institutional research within central university administration is particularly challenging in the countries from former Yugoslavia due to a particular model of university governance. In these countries, the legacy of socialist self-management structures was translated into ‘fragmented’ universities in which faculties, art academies and colleges had (and most of them still have) legal identity, thus making university merely an umbrella institution without significant decision-making powers (Zgaga et al., 2013, p. 39). In a fragmented university, the position of Deans is extremely strong: they are in direct contact with the Ministry regarding financing (with the exception of Slovenia). Different governmental agencies tend to obtain data directly from the academic units rather than from central administration. There have been attempts to replace this model with governments’ regulative intervention, but the changes in practice are slow. In most cases only a ‘functional integration’ has been achieved which effectively means a working cooperation between the faculties, yet still relatively weak central administration and underdeveloped central administrative services, including institutional research (Zgaga et al., 2013). In such an arrangement the capacity to take operational decisions is low.

Third, institutions have few “pure” institutional researchers who could deliver the type of intelligence needed for rigorous strategic planning, which indeed also includes contextual intelligence. Institutional researchers are either based within quality assurance units or are scattered in various administrative units where they often perform several other functions. Institutional research is still an “add-on” function, with limited capacity in terms of people and technological resources.

CONCLUSION

In Central Europe with the exception of Austria, the practice of institutional research to support institutional decision-making and planning tends to be over shadowed by the tasks of fulfilling the mandatory reporting requirements. Furthermore, there is limited institutional capacity to undertake institutional research functions for purposes of strategic planning and institutional positioning, such as analyses of trends and changes in the environment (“external changes”), benchmarking and comparisons to other universities. The development of institutional research for data-driven management of universities in this region apparently still depends on government steering also in terms of competition it creates among higher education
institutions within the national higher education systems, and whether it encourages the ambitions of the universities to compete within the global higher education market. Only in higher education systems where the state has set clear performance-based regulations for funding and quality assurance (such as in Austria and attempting in Romania), do we see systematic development of institutional research to support performance-based management across the universities in that system.

As higher education institutions in Central and Eastern Europe move towards more strategic positioning processes – either because they wish to improve their functioning and status or because they are steered to do so by their governments – they will inevitably need to upgrade their institutional research function. As they do so, they ought to remember that for purposes of supporting strategic positioning, institutional research ought also to develop contextual intelligence, as discussed above. Institutional research has to extend from being mostly descriptive-analytical in its character – and thus concerned with validity and reliability of acquired data – to become transformational – and thus concerned with relevance, legitimacy and accountability of proposed solutions (Wiek et al., 2012; Klemenčič & Brennan, 2013). To achieve this, the institutions ought to strive towards bringing together the various “communities of practice” within their institutions, especially students and staff, to engage in defining what questions should be posed for institutional research, what data should be collected and how data get interpreted for institutional leaders. The involvement of various epistemic communities is fruitful for self-reflection on the underlying values and socio-normative motives of institutional research and for ensuring relevance and legitimacy (Klemenčič & Brennan, 2013).

The task for institutional leaders is to develop a culture of institutional research that will nurture involvement of students and staff with institutional research and university quality improvement. This can be achieved through advisory stakeholder committees comprising staff representatives, students and external stakeholders or through a different platform for collaboration between institutional decision-makers, students and staff, and external stakeholders so as to lead to institutional improvement around the set of shared values to enhance the collective well-being and quality experience of the university. To elicit a genuine, conscientious contribution of students and staff – individually and collectively – to strategic decisions of universities and to a practice of institutional research that can support these, more is needed than merely a positive freedom to do so. They need to feel a certain degree of ‘loyalty’, i.e. a strong feeling of allegiance and attachment or belonging to one’s university and indeed to a collectivity or group of people within that university (Klemenčič, 2015b).

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NOTE

1 For all CEE countries, the European Union has served as an important point of reference. The Baltics, the Visegrád Four and Slovenia joined the European Union in 2004, Romania and Bulgaria in 2007 and Croatia in 2013. With accession, these countries are no longer considered “transition” countries, a term that is now reserved for the Western Balkan states. Austria has been a member since 1995, and has sometimes played a role of regional interlocutor between CEE and the European Union. In the remaining “transition countries”, the European Union neighbourhood policy continues to play a role in higher education reforms, as does the presence of international actors, such as World Bank, Council of Europe and donor agencies.

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M. KLENENČIČ


Manja Klemenčič
Department of Sociology
Faculty of Arts and Sciences
Harvard University
USA
BRUNO BROUCKER, KURT DE WIT AND LIUDVIKA LEISYTE

2. HIGHER EDUCATION REFORM

A Systematic Comparison of Ten Countries from a New Public Management Perspective

INTRODUCTION

The public sector has been reformed in all OECD countries during recent decades, with a view to ameliorating the efficiency, the effectiveness and the performance of public organisations (Pollitt & Bouckaert, 2000). In higher education (HE) similar reforms have taken place (Dobbins, Knill, & Vögtle, 2011) and these reforms have to a large extent been classified under the concept of New Public Management (NPM) (Hood, 1995). This chapter discusses NPM and investigates HE reform in 10 countries from an NPM perspective, thereby discerning (1) market-based reform, (2) budgetary reform, (3) autonomy and accountability related reform, and (4) leadership and governance reform. Until now the variable implementation of these reforms has been difficult to identify, basically due to a lack of systematic international comparison (Teichler, 2014). The present chapter seeks to counteract that deficit by identifying indicators for the four areas of reform and by using these indicators to scrutinize HE reforms in 10 different countries. We first highlight NPM, the criticism it has received and post-NPM concepts. Second, we define what NPM means in the HE sector. Third, we highlight the methodology. Fourth, reforms in the 10 countries are described. Fifth, we discuss the observed trends and the implications for NPM as a concept.

NEW PUBLIC MANAGEMENT FOR PUBLIC SECTOR REFORM

Since the 1970s public administrations have been modernized to increase their efficiency and effectiveness, to enhance their performance and to orient their services more to the expectations of their citizens. This has led to the introduction of new, managerialist ideas in the public sector and has been called New Public Management (Pollitt, Van Thiel, & Homburg, 2007). Generally speaking, NPM stands for the idea that private practices, concepts, techniques and values can improve public sector performance (Hood, 1995). This perspective states the superiority of private sector techniques (such as hands-on management, entrepreneurship, performance management and audits, marketization) assuming that its implementation in the public sector automatically leads to an improved performance (Ferlie,
Musselin, & Andresani, 2008; Gruening, 2001; Osborne, 2006; Pollitt & Bouckaert, 2000). NPM is also perceived as an umbrella concept, covering the implementation of reforms in many forms, with various levels of intensity and at different periods (Pollitt & Bouckaert, 2000).

NPM has always had its opponents and advocates (Osborne, 2006). Hood (1991) posits that the advocates saw NPM as an answer to the old bureaucracy (see also Pollitt & Dan, 2011). The pro-NPM literature assumes that the application of business methods will result in a cheaper and more efficient public sector (Pollitt & Dan, 2011). The opponents, states Hood (1991), argue that NPM has been an assault on a valuable public service and is only a vague package. It has an intra-governmental focus in an increasingly pluralist world (Osborne, 2006) and leads to side-effects such as fragmentation, diminished coordination, lower social cohesion and negative consequences on personnel (Hammerschmid et al., 2013). Moreover, some scholars argue that NPM was a disappointment to governments who implemented NPM reforms, basically due to the fact that private ideas were a misfit with the peculiarities of the public sector (Curry, 2014).

This skepticism has led to a period of post-NPM paradigms, such as ‘whole-of-government’ (Christensen & Laegreid, 2007), ‘digital-era governance’ (Peters, 2013), ‘network governance’ (Ball, 2009; Bleiklie et al., 2011; De Wit, 2010) or ‘New Public Governance’ (NPG) (Osborne, 2006; Torfing & Triantafillou, 2014), wherein reforms are perceived as the result of a variety of interactive forms of governing that are more based on interactivity, transparency, collaboration, and participation. The post-NPM concepts emphasize more or less the same elements: more integration, inter-connectedness, and inter-organisational networks.

NEW PUBLIC MANAGEMENT IN HIGHER EDUCATION

Background

Higher education institutions (HEIs) have been subjected to many reforms, encouraged by the emergence of the knowledge society, economic crises, increased competition, and demographic evolutions (Dobbins, Knill, & Vögtle, 2011). Within that context, many countries have been seeking new ways to steer the HE sector (de Boer & File, 2009). In the context of budgetary restrictions governments have been reducing their expenditure on HE and have increasingly introduced the market as a new coordination mechanism (Middlehurst & Teixeira, 2012). Other management principles such as liberalisation and privatisation have also become part of HE governance in many countries (de Boer, Enders, & Jongbloed, 2009; Broucker & De Wit, 2013). Generally speaking, one could state that the principles of NPM have to large extent been introduced in HE systems (de Boer et al., 2008; Bleiklie & Michelsen, 2013). However, the principles of NPM are not implemented in every HE sector in the same way (Broucker & De Wit, 2013; Paradiseise, 2012; Eurydice, 2008). Since the reasons for reform and understandings of NPM differ, the
implementation and outcomes differ too. As a consequence the characteristics that are specific to NPM in HE in different contexts need to be scrutinised.

**NPM CHARACTERISTICS**

Table 1 provides a comparison of four authors identifying NPM characteristics in HE. The common characteristics are clustered into four categories (first column). Although the delineation of these areas is not clear-cut, and countries might show a mixed picture, it is, as an analytical tool, useful because (1) it fits the characteristics of NPM reforms, (2) it offers a generic approach useful in understanding HE reforms and their key mechanisms and (3) it facilitates international comparison.

*Table 1. NPM areas in higher education*

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<tbody>
<tr>
<td>Market-based reforms</td>
<td>Role expansion of private institutions; encouragement of commercial activity; competition creation</td>
<td>Competition between public agencies and private entities</td>
<td></td>
<td>Competition for students and funding; market entrance encouragement; acceptability of failure</td>
</tr>
<tr>
<td>Budgetary reforms</td>
<td>Growth in student fee-charging</td>
<td>Financial incentives</td>
<td>Budgetary constraints</td>
<td>Value for money; real prices development and higher student fees; hardening of soft budgetary constraints</td>
</tr>
<tr>
<td>Autonomy, accountability and performance</td>
<td>Output modelling</td>
<td>Incentives</td>
<td>Formalisation of evaluation; more autonomy</td>
<td>Performance measurement and monitoring; audit and checking systems; vertical steering</td>
</tr>
<tr>
<td>Leadership and Governance</td>
<td>Corporatisation reform</td>
<td>Leadership principles</td>
<td>Hierarchisation</td>
<td>Development of strong executive and managerial roles; reduction in faculty representation; reduction of local government influence</td>
</tr>
</tbody>
</table>
To analyze HE system reforms in more detail from this perspective, it is necessary to identify indicators for each of the four areas. Therefore we selected a number of indicators identified by Dobbins, Knill and Vöglt (2011); we classified these within the four areas and we operationalised them within an NPM context (see Table 2). The indicators are explorative by nature: they provide a selected number of questions with which we are able to interrogate at reform endeavors in HE.

<table>
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<tr>
<th></th>
<th>Dobbins et al. (2011)</th>
<th>Operationalization within NPM</th>
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<tr>
<td><strong>Market-based reforms</strong></td>
<td>State control instruments</td>
<td>Are there incentives for competition between providers? Is the legal framework for HE policy tight or not?</td>
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<td>Orientation and utility of teaching and research</td>
<td>Are teaching and research topics defined by the state or are they a reaction to market demand?</td>
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<td><strong>Budgetary reforms</strong></td>
<td>Main funding base</td>
<td>Is the state budget the main funding base or is there more competitive / diversified funding?</td>
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<td></td>
<td>State funding approach</td>
<td>Do HEIs have high or low budgetary discretion?</td>
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<td></td>
<td>Basis of allocation</td>
<td>Is funding input or output based?</td>
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<td><strong>Autonomy and accountability</strong></td>
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<td>Who determines the strategic goals and issues (state/university)?</td>
</tr>
<tr>
<td></td>
<td>Who controls/evaluates?</td>
<td>State, external body, university?</td>
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<td></td>
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<td>When does evaluation take place?</td>
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<td>Focus of quality evaluation</td>
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</tr>
<tr>
<td><strong>Leadership and governance</strong></td>
<td>Dominant decision-making actors</td>
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<td>Dominant management approach</td>
<td>Bureaucratic, entrepreneurial, collegial?</td>
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</tbody>
</table>

**METHODOLOGY**

In the next section we discuss to what extent the four areas are present in 10 countries. The analysis is based on secondary data, retrieved from academic articles.
analyzing a country specific reform, or comparing countries or continents; and articles or reports from international institutes (e.g. OECD, European Commission, Eurydice).

The selected countries are a mixture of early, mid and late NPM adopters (Massy & Johnston, 2015; Broucker & De Wit, 2015; Carvalho et al., 2006; Hansen, Steen, & de Jong, 2013; Drechsler, 2005; Pollitt et al., 2007), from different administrative traditions (Bleiklie & Michelsen, 2013), and with inclusion of Eastern-Europe countries (see Figure 1).

![Figure 1. Scale of adoption of NPM](image)

**England**

In England the key change has been to increase competitive pressure, in the first place between existing HEIs, but also by allowing private providers to become degree-granting institutions (de Boer et al., 2008). These private activities “blur existing boundaries around the sector with the result that it is both more diverse, more flexible, and in a number of cases, less accountable” (Robertson, 2010, p. 31). The funding system changed further in 1992 when the polytechnics were re-labelled as universities (Deem & Brehony, 2005), a decision followed by budget cuts (Robertson, 2010). In 2012, student fees were increased, capped at GBP 9000 per year (HEFCE, 2013; Eurydice, 2014), accompanied by measures aiming at widening participation for poorer students (Carasso & Gunn, 2015).

In general, governmental pressure on HEIs has been intensified, to the point of having “state micro-management on a scale comparable to other European
systems” (Shattock, 2008). In the process, research funding has become heavily reliant on indicators. Also in teaching and education evaluation, indicators have become part and parcel of HE policies, through quality assessment and institutional audits. The results of these assessments are published and can lead to reputational consequences influencing the level of income (Capano, 2011). The implementation of NPM principles has involved cutting budgets and tightening controls, creating internal competition, and introducing monitoring mechanisms (Shattock, 2008, p. 191); similarly at the institutional level, it has led to bureaucratic procedures, monitoring of performance and auditing quality, and setting (financial) targets (Shattock, 2008, p. 194). Consequently, competition for funding is very strong (Robertson, 2010).

Corporate management has been strengthened, as this seemed to comply best with the exigencies of funding councils (Shattock, 2008, p. 194). This has resulted in a vertical hierarchy of internal decision-making; a weakening in the collegial power of the academic bodies; and externally in more competition and institutional differentiation. Nevertheless, although collegial governance is under threat, it seems that top and middle management have acted in favor of traditional academic values and practices (de Boer, Enders, & Schimank, 2008; Deem & Brehony, 2008).

United States

In the US HEIs have been under reform since the 1980s (AASCU, 2010). The boundary between university and external environment has become much less defined due to government policies and institutional strategies (Bok, 2003; Geiger, 2004; Leisyte & Dee, 2012; Slaughter & Rhoades, 2004). As a result, the system is characterized by strong competition in general (Slaughter & Cantwell, 2011; Ramirez & Christensen, 2013) and competition for students in particular as they are key in generating income (Geiger & Heller, 2011).

In the US the states are responsible for HE policy, resulting in governance structures ranging from constitutional autonomy, over elected boards, to governor appointed boards (Eckel & King, 2004). Interestingly “the trustees or regents are largely comprised of corporate CEOs and external professionals” (Slaughter & Cantwell, 2011, p. 593). In the past, university trustees and policymakers have criticized the slow pace of decision-making (AGB, 1996). Other observers have called for the bypassing of existing governance committees relying instead on administratively-appointed planning groups (Leisyte & Dee, 2012, p. 152). As a result, the number of members in Boards of Trustees has been decreasing over the years (Stripling, 2012). As discussed in Leisyte and Dee (2012, p. 125), the massification in enrolments led many states to create consolidated governing boards or state coordinating boards to enhance rationality and efficiency. This led to decentralization and centralization at the same time (Eckel & Morphew, 2009), that is, greater autonomy for HEIs to set the strategic priorities, but also centralisation of internal governance if the authority of institutional management is enhanced (Leisyte & Dee, 2012, p. 140). As greater
autonomy means greater accountability, the administration gains dominance via the usage of various indicators (Dill, 2014). In recent decades policy-makers have demanded that the universities account for their performance, and public universities are required to report a wide range of performance indicators (Rutherford & Rabovsky, 2014).

Public HEIs receive only around 15% of their income from the state (Leisyte & Dee, 2012) and depend much more on the market (Eckel & King, 2004). The changes in the governance arrangements also have conferred autonomy upon public institutions in the area of tuition setting, thereby reducing the powers of the statewide coordinating boards (McLendon, 2003). All this has led to universities with a high degree of autonomy, limited governmental funding, low degrees of regulation, strong central management, and strong disciplinary departments (Bok, 2003; Geiger & Sa, 2008; Leisyte & Dee, 2012).

New Zealand

Already in the 1980s New Zealand adopted neo-liberalism in its HE. It was argued that having differences in the social status of different kinds of institutions was outdated and was “buttressed by funding regimes that awarded [some] universities higher levels of government support [than others]” (Strathdee, 2011, p. 28). Therefore funding was made more equal across different kinds of institutions, and a system of tuition fees was introduced, but this quasi-market had unintended effects (Strathdee, 2011, p. 29): new providers opted to offer degrees in competition with universities, and the cost of provision to the state increased. In reaction, new policies were introduced in 1999. From then on, the government could determine what kind of training and how many places could be offered by HEIs; and research funding was concentrated in research intensive institutions (Strathdee, 2011, p. 33).

In 2002 it was decided that the government would only fund providers in accordance with individual investment plans drawn up by HEIs and specifying the areas wherein providers can offer training and the number of state-funded places that can be offered. Also, to limit the cost of tuition to students, a fee-maxima policy was introduced (Strathdee, 2011, p. 37). Every university is now part-funded (around 50% of total income) by the government (Ministry of Education, 2015). The government invests in areas of education that meet its strategic objectives (Freeman, 2014). Every institution must have a charter outlining its contribution to HE, to its stakeholders, and to regional demand. In turn, this feeds into the policies and practices of the universities, which invest in areas that match the priorities established by the government. Since 2008, the external evaluation and review of providers has been published, which has increased performance and has contributed to the government’s future funding decisions (Ministry of Education, 2015). In addition, other performance information about HEIs was made more widely available to inform students and employers about education, and to create an incentive for performance improvement (Strathdee, 2011, p. 41).