

GOVERNANCE OF THE U.S. UNIVERSITY: ORGANIZATIONAL STRUCTURE AND CHANGING POWER RELATIONSHIPS IN COMPARATIVE PERSPECTIVE

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Abstract

This paper provides a comparative perspective on changes in the governance of U.S. universities in the past two decades. An analysis of trends revealed in U.S. national surveys in 1992 and 2007 shows that faculty influence in decision making has become much more limited to personnel issues, while the influence of academic middle management - particular department chairs and deans - has expanded, especially in matters of budget and establishment of new academic programs, at both the expense of the faculty and even the central university administration. These findings are compared to those for twelve other developed nations as reflected in a 2007-08 global 19 nation survey: *The Changing Academic Profession*. Such comparisons reveal the greater role of external stakeholders, including national governments, in most nations outside the U.S. Recent trends, however, suggest that while many national governments outside the U.S. are increasing the autonomy of universities from government, the federal involvement in higher education in the U.S. is increasing amid such growing decentralization in the governance of universities elsewhere. The findings are interpreted in terms of the search by national governments globally to achieve a "delicate balance" between the demands for autonomy to support academic quality and accountability for the large public investment in higher education

Introduction: The Basic Lay of the Land

As many nations seek to build "world-class" universities as a strategy for enhancing their competitive position in the global "knowledge economy," there has been increasing attention to the apparent success of the "American" university as a potential model to emulate. U.S. universities, after all, dominate the various world rankings (Wildavsky, 2010); and the notion has become widely accepted that one of the key distinguishing features of the U.S. university that accounts for this academic success is its distinctive organization and relative autonomy from government (Clotfelter, 2010). The U.S. system is indeed relatively insulated from central or even state government by its corporate form (and the historic dominance of the private sector): universities are chartered by state governments and those charters vest ultimate legal power in a self-perpetuating board of lay trustees who serve as the ultimate and legal arbiters of organizational decisions - academic, financial and otherwise¹. Ultimately, the theory is that corporate independence will ensure the unfettered pursuit of distinction in a competitive academic market and at the same preserve the public interest insofar as lay members provide a counterweight to the faculty's purely academic (and some would argue narcissistic) concerns.

Stated simply, the organization of the American university has pitted a legally supreme board of trustees and their designated representative (the President or Chancellor), on the one hand (or at the top) against an increasingly assertive faculty, on the other (at the bottom) whose major claim to a role in governance is that they bring to the table the highly specialized

¹ This corporate arrangement is similar for public institutions, although membership on their boards of trustees are typically appointed by politicians or elected by the public. Indeed, in a few states - Michigan and California - the university is granted autonomy in the state Constitution.

expertise required to make decisions related to research, academic programs and faculty personnel (Clark, 1983). In some sense, the history of governance of U.S. universities is a history of the struggle between the faculty and the president or administration (representing the board of trustees) to find some accommodations in jointly steering the enterprise. The governance drama in the U.S. case has thus been for the most part an internal one - fought within the boundaries of the campus². To be sure, as American higher education expanded in the post-World War II period, and vast new public systems of universities were established by the individual states, the infusion of resources from all levels of government re-calibrated the "internal" balance on campus as between the faculty and the administration, usually in favor of the administration as the primary "boundary spanners" between the campus and the political system³.

What becomes readily apparent from this description is just how different the U.S. system is from most of the rest of the globe. In Continental Europe and in most of Asia (Germany and Japan are the prototypes), the faculties at the individual universities dominate those universities and governance typically plays out between the individual faculties or even individual professors and the Ministry (or other regional entities). Central administrations (rectors) are relatively weak and certainly do not offer a competing center of power on the campus.

This is the basic context within which we want in the remainder of this paper to (1) describe two basic trends currently underway in the U.S. in terms of the faculty role in university governance and the re-alignment of relationships on campus; and (2) to describe the changing nature of federal involvement in higher education which, we believe, has some important implications for the vaunted autonomy from government of the American university. Finally, (3) we want to consider these changes in light of current university reforms outside the U.S. as well their implications for the future of higher education in Kazakhstan.

Before proceeding to the basic discussion of current governance trends in the U.S., we want to provide a brief overview of the data sources for most of the subsequent discussion: the 1992 Carnegie Foundation for the Advancement of Teaching's International Academic Profession survey (Altbach, 1996) and The Changing Academic Profession [CAP] survey of 2007-08 (Cummings and Finkelstein, 2011).

Data Sources

In 1992, the Carnegie Foundation for the Advancement of Teaching conducted the first international survey of the academic profession. Nearly 20K academic staff in fourteen countries responded to an instrument including questions about career and work experience, teaching and research activities, perceptions of the higher education system, generally, and of organization and governance, in particular (Altbach, 1996). Fifteen years later, a group of professors who had played a leading role in the 1992 survey organized a follow-up conducted during 2007-08 with a common sampling frame and instrument. More than 20K academic staff responded from 19 countries, including ten of the original Carnegie 14, Australia, Brazil, Hong Kong (treated here as a separate country prior to its return to China by the British), Germany, Japan, Mexico, the Netherlands, South Korea, the UK, and the US. The reference population of both the Carnegie and the CAP Survey primarily comprised full-time teaching

2 Of course with the advent of public systems within the individual states, the proverbial "campus" might expand 10-20 fold under single corporate board.

3 But sometimes in favor of faculty to the extent that they could independently command government resources to fund their research and laboratories.

professionals in higher education institutions that offer a baccalaureate degree or higher (Type A of the OECD classification or Level 5A of the ISCED-97).

The 2007-08 CAP survey included a critical mass of questions related to each of the CAP's three major themes: managerialism, internationalization, and relevance. The items on managerialism - which included faculty perceptions of the power and influence of various external and internal constituencies (including themselves) in campus decision-making, in budgeting policies and practices, in the evaluation of teaching and research, and in their academic units - largely replicated the items in the original 1992 Carnegie survey- effectively permitting a comparison of changing perceptions over a 15 year period - a period which in the U.S. saw almost no systematic national study of academic governance.

Findings: The Shrinking Faculty Role and the Rise of Deans

The 1992 and 2007 surveys posed a similar set of questions providing respondents with a series of decision areas (faculty appointments, approving new academic programs, selecting top administrators, etc.) and asking them to rate the relative influence of key stakeholders in making those decisions. For purposes of simplicity, we focused on five decision categories that we believed were representative of the continuum of decisions from purely personnel and curricular (the typical domain of the faculty) to budgetary and administrator selection (traditionally outside the faculty's purview) and sought to compare the responses in 1992 to those in 2007 for three stakeholder groups: faculty (including individual faculty, faculty committee and senates/unions), middle managers (deans and department chairs) and central administration (including boards and external groups). The results are displayed in Table 1 below.

Table 1. Summary: At your institution, which actor has the primary influence on the following decisions? (% very influential & influential) 1992 vs. 2007

	Central Admin & External Stakeholders		Deans & Chairs		Internal Faculty Bodies	
	1992	2007	1992	2007	1992	2007
Selecting key administrators	83.7%	76.9%	11.3%	14.7%	4.9%	8.3%
Choosing new faculty	17.6%	5.6%	19.8%	33.0%	62.5%	61.4%
Making faculty promotion and tenure decisions	31.9%	18.3%	30.9%	30.5%	37.2%	51.1%
Determining budget priorities	86.5%	55.4%	9.3%	42.4%	4.2%	2.2%
Approving new academic programs	47.4%	47.7%	27.6%	16.6%	25.0%	35.6%
Data source: CAP Kassel International Survey, 2009						

If we examine the results for the two areas of faculty personnel which have traditionally fallen within the purview of the American faculty (choosing new faculty and making faculty promotion and tenure decisions), a clear pattern emerges. Between 1992-2007, central administration and external groups lost influence in these matters while deans/department chairs and faculty gained or retained their influence. According to these data, by 2007, the faculty had clearly consolidated its hold over faculty personnel decisions. At the other end of the decision spectrum, i.e. establishing budget priorities, a very different trend emerges. Central administrators and external groups lost influence between 1992-2007 while middle management (deans and department chairs) gained influence. While, central administration

was perceived as retaining the major share of influence in budgetary matters (55.4 percent of respondents still saw them as the primary arbiters in matters of budget); it was however the deans who relative to the faculty gained influence during this period. In 1992, deans and faculty were perceived to be about equally ineffectual in budgetary matters (perceived as primary influencers by 4.2 - 9.3 percent of respondents). By 2007, the deans were perceived as primary influencers by more than two-fifths (only marginally below central administration). In the area of selection of administrators central administration retains its primary influence during this period. Neither deans nor faculty appear to have made any inroads in this area.

The key area of approving new academic programs reveals a different trend. The declining influence on the part of deans and department chairs, and steady or increasing influence on the part both of central administration and faculty bodies. That administrators continue to retain the highest share of influence in new academic program approval suggests the key role of resources (budget) in the start-up of new programs. That the faculty have increased their influence may be attributable to two forces. The persistence in faculty efforts to exert their control over academic program (an area traditionally the domain of the faculty) as well as the increasing entrepreneurial activity of faculty in the area of new academic program development through securing external, grant support.

In sum, the overall pattern is one of continued ascendance of central administration in matters of budget, administrative staffing and new academic programs, the consolidation of faculty influence in the area of faculty personnel decisions, and the increasing influence of deans and department chairs (middle management), especially in budgetary matters.

While, by way of counterpoint, administrative influence appears to be increasing, that increase may be less at the central administrative level, and more decentralized at the level of the academic unit. That is, the available evidence suggests that deans of academic unit (schools or colleges) have been the primary beneficiaries of increased administrative influence -species of "decentralized" bureaucratization.

Historically, faculty's influence in governance has varied by institutional type and academic field: at the most prestigious, research institutions, faculty have tended to be more influential overall (although there are known to be institutional cultures more or less hospitable to faculty influence, e.g. faculty at Yale) as have faculty in the natural sciences and in the professions, esp. medicine and law. There is some evidence that the decline has been across the board. There remains anecdotal evidence that institutional prestige still matters – witness the faculty response to the recent trustee firing of the president at the University of Virginia and her subsequent re-instatement after faculty protest and resignations.

How does the situation of U.S. faculty compare to their counterparts in other mature economies and nations? Data from the Changing Academic Profession, 2007-08, suggest that American faculty are less influential overall than their colleagues in Canada, Germany, Italy, Japan and the Scandinavian countries (Finkelstein, 2012). Most notably, these faculties wield influence on matters of budget, administrator selection and academic programs unimaginable to American faculty. Moreover, they typically wield influence in the public policy process through their role on national system governance mechanism such as the University Grants Committee in the UK, various national disciplinary committees in France and Germany and directly on the staff of national ministries of education (Clark, 1983).

The U.S. system tends to shield faculty from intrusion by the state, especially in matters of curriculum, academic programs and personnel and research. It does so, however, at the price

of erecting a much more formidable power center at home - the local president who, subject to board approval, remains the ultimate source on legally binding institutional decisions.

Two new developments that will be playing out over the next 5-10 years merit special attention - as they potentially affect this portrait we have drawn:

(1) The trend outside the U.S. to increase the autonomy of individual universities vis-a-vis the central government - a trend that, harkening to the American model - is premised on the notion that institutional autonomy is a key ingredient of academic quality. This trend is associated with the growth of central administration at the individual university level (threatening the traditional absence of a local administrative counterpoint to faculty influence);

(2) The trend in the U.S. toward an increasingly intrusive role of the federal government in higher education threatening the vaunted autonomy of America's universities.

Trends in the Reform of Higher Education Governance Outside the U.S.

Most would agree that the pace of governmental efforts to reform higher education systems at the national level has accelerated markedly since the mid-1990s. The thrust of many such efforts has been to decentralize academic and personnel decision-making.

In several countries, there are signs of the growing decentralization of the employment and working conditions of academics. There are various shifts of responsibility towards the academic workplace according to country: intermediation as a shift of responsibility from the central government to intermediate bodies; regionalization as a shift of responsibility from central to regional state authorities; localization as the shift of responsibility to the local level of employer regulations and local collective bargaining; and individualization as a shift towards individual bargaining between academics and institutional representatives. Salaries, teaching loads and other elements of time and resource allocation tend to become more flexible and are reorganized according to institutional and individual circumstances (Enders, 2001).

This devolution of responsibility downward has usually been accompanied by both increased regulation of performance (quality assurance standards and processes) and also by the mushrooming of administrative staff at the regional and institutional levels. Some have suggested that such efforts to increase institutional autonomy (and, of course, accountability) have merely led to "re-bureaucratization" - but now at the local level (Enders, 2001).

While Enders was referring to Europe in his analysis, Japan's National Universities may represent the most extreme example of this trend. In 2002, new legislation re-established the nation's 99 national universities as quasi-independent entities, governed by autonomous boards of trustees (appointed by the Ministry, to be sure). In tandem, the Japanese government reduced overall university expenditures, established a performance -funding system for designated "centers of excellence" and introduced fixed contract staffing into the universities. It is still too early to tell whether what appears to be an "Americanization" plan for Japan's elite public sector will indeed be implemented as conceptualized or whether, if implemented with fidelity, it will have the desired effect - targeting funding on performance, encouraging competition and enhancing quality. The same can be said about reform efforts in Europe. The point, however, is that governance in many regions of the world are moving toward some version of a decentralized American model. To the extent that this is occurring, it does so, quite ironically, at a time when the decentralized, autonomy protecting "American " model

may itself be undergoing something of a silent transformation as the role of the federal government in American higher education becomes both stronger and more suffocating.

Most universities in transition have started to adopt the Western academic model. In the case of Kazakhstan, twenty years of national independence have been accompanied with the challenges of struggling with the ideological regimentation and the centralist model of higher education governance. Universities have experienced tight control of the state and at the same time have been under pressure to raise standards and internationalize the higher education system. There is anecdotal evidence that the state control model of higher education governance has gone to such lengths as micro-managing academic processes of universities. This has led to over-bureaucratization of the higher education management and serious concerns have been raised by university leaders and faculty members.

After the fall of the Soviet Union, national strategic plans have clearly focused on steering academic institutions to serve economic interests of the nation. Similar to other transitional economies, key trends of higher education governance include decentralization and privatization. The marketization of higher education has implied the need for the development of institutional self-governance and flexibility. With the increasing effect of the market forces, the state has started to reformulate its long-standing relationship with universities and is now considering to devolve greater autonomy to them. It is envisioned that by 2018 the whole of higher education institutions will be autonomous. The Ministry of Education and Science seems to proceed with caution and the process of granting university autonomy tends to be gradual. The primary step is to grant institutional autonomy to well-established national universities by 2015. At present, in order to enhance institutional autonomy, the Ministry has established buffer agencies ensuring public accountability and quality control. The national policies of education development have encouraged academic institutions to adopt best practices of higher education management originating predominantly in the West. These reforms and appropriate legal frameworks of introducing institutional freedom, implied by the Bologna Process, establishing the Boards of Trustees and holding merit-based selection of candidates for the post of university leaders are under way.

It is too early to state if Kazakhstan's higher education system is ready to adopt organizational principles of university autonomy. There is good reason to believe that the granting of academic autonomy will facilitate the market relevance of the courses. As the patterns of institutional self-governance are very diverse, the reformulation of the relationship between the state and universities is likely to lead to evolving different context-sensitive strategies of higher education governance.

The Changing Role of the U.S. Government in Higher Education

Whether one selects 2002 (debate begins on the re-authorization of the Higher Education Act by the U.S. Congress) or 2006 (the Report of the Commission on the Future of American Higher Education appointed by Margaret Spellings, U.S. Secretary of Education) as the watershed (demarcator), a "new era" is emerging - very rapidly - in the relationship between the federal government and institutions of higher education in the U. S. (Eaton, 2012). The historically "hands-off" role of central government in the U.S. (beyond providing student aid and research funding) is evolving into a substantively regulatory one.

The new era was precipitated by the confluence of a variety of forces, including the escalating costs of university tuition in the U.S. threatening the capability of most middle-class families to afford a college education for their children, a spate of national reports questioning the substantive outcomes and economic value of a four-year undergraduate

degree, public scandals involving for-profit, private institutions that have paid headhunters to recruit new students-many of questionable academic ability - helped them apply for billions of dollars of federal student aid loans , only to have them either drop out prior to degree or certificate completion or be unable to find jobs and default on their federal loans -and a general sense that higher education institutions are not providing adequate information for consumers of their "high priced" services. There was enormous political pressure for the federal government to step in and ensure the provision of adequate information to consumers as well as protect federal student aid investments. This resulted in the passage of federal legislation in the 1990s (for the first time) and a spate of new rules subsequently aimed at regulating the standards and process of institutional accreditation or quality assurance.

By way of background, a word about quality assurance in the U.S. context. Historically, quality assurance in higher education in the U.S. operated on the principles of voluntary self-regulation, peer review and a focus on improvement. In each of seven geographic regions, voluntary organizations arose of universities and secondary schools (e.g. the Middle States Association of Schools and Colleges in the mid-Atlantic area). These associations collaboratively developed broad, albeit flexible, standards for assessing quality and organized a system whereby universities undertook periodic self-studies that addressed regional standards, and were "visited" by teams of reviewers from peer institutions to assess the extent to which standards were being met. Visiting teams developed recommendations for improvement and for the award of overall accreditation status. It is this voluntary system of self-regulation supplemented by a similar discipline-specific process undertaken under the aegis of various national disciplinary and professional associations that have shielded colleges and universities in the U.S. from national government mandates related to academic programs, student admissions, staffing levels and qualifications, etc. Indeed, for the past 50 years, the U.S. government has put its own imprimatur on the work of these "voluntary" regional and professional accrediting associations by "accepting" their judgments as the basis of eligibility of enrolled students for federal financial aid. No more. New federal legislation and rules mandate uniform standards that must be met by all institutions as well as uniform indicators of such standards. Thus, it is no longer sufficient to have a local plan for assessing student outcomes, but rather a uniform set of quantitative indicators—across all institutions. Moreover, the new rules specify the processes to be used in quality assurance, including who may serve on review committees. Staff at the U.S. Department of Education review reports and are increasingly questioning specific decisions or recommendations by peer review teams (Eaton, 2012). Control is enforced through the threat of removal of an institution from the accreditation list or of an individual from the accreditation team roster. What is emerging is a standardized, bureaucratic compliance-oriented process that imposes uniformity in both substantive standards and quality assurance processes as well as centralized, bureaucratic supervision of the process. While the public policy intent of such changes are laudably aimed at "consumer protection" and optimizing the quality and transparency of information about institutions of higher education (all public goods), they may also have quite unintended and negative consequences for the historic autonomy of universities in the U.S. as well as the principle of the supremacy of peer review in deliberations about academic quality.

What Do These New Developments in University Governance Mean?

It is still too early to make judgments about the impact of decentralization and the expansion of university autonomy in Europe and Japan, as it is about the increasing centralization and chipping away at institutional autonomy in the U.S. It seems unlikely that national Ministries are losing their place at the center of most national systems in Europe and Asia; nor that the

federal government in the U.S. will take on the trappings of a traditional national Ministry of Education.

For universities in transition, including higher education institutions of Kazakhstan, there are good lessons to learn. As the state carefully examines international practices of higher education governance, universities need to prove that they have developed adequate accountability measures. Institutional autonomy is highly likely to be granted to those academic institutions that will manage to provide effective internal accountability mechanisms and perform institutional credibility and strategic leadership. There seems to be an agreement at both ends of the government and most public universities that the state will continue to play a substantive role in the higher education governance.

What these developments demonstrate is that higher education systems across the globe are experiencing seismic pressures at once to promote academic quality and scientific innovation among their university systems to ensure their economic competitiveness in the global economy at the same time that they are seeking to "manage" the demands of massification and protect their public investment in colleges and universities.

These pressures are initially disrupting the balance between government action and university autonomy and we are in the midst of a period of "re-calibration" - even in the U.S. system. We all need to be watching these developments carefully and constantly re-appraising the "delicate balance" between universities and the public interest.

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