



# **INSTITUTIONAL GOVERNANCE AND LEADERSHIP IN A CHANGING POLICY CONTEXT**

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# Introduction

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- n Today's world is characterised by:
  - n **Globalization**, which provokes
    - n Uniformisation
    - n Competition and delocalisation
  - n **Knowledge society** (economy)
    - n Knowledge as a production factor
    - n Knowledge is a necessity in complex societies
- n These developments matter also to universities
  - n Higher Education is also globalizing
  - n Universities are key to the knowledge society
- n **OUTLINE: THREE MESSAGES**

*1<sup>ST</sup> MESSAGE:*

TRADITIONAL UNIVERSITIES ARE  
INCREASINGLY CHALLENGED BY  
THE CHANGING ENVIRONMENT!

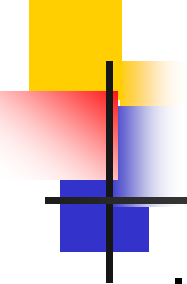




# “Traditional” challenges

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- n Consequences of globalization and of the Bologna process:
  - Æ universities are increasingly subject to world competition (loosing their regional monopoly)
- n Increasing competition for
  - n Good students, good teachers and researchers
  - n Funding (State, individual, sponsors and contracts)
- n Increasing costs of research
- n Changing innovation model:
  - n Innovative research requires interdisciplinarity and new innovation models (from linear to circular)
  - n Relations University-Industry are changing:
    - n Increasing competition from private labs or
    - n Industry is outsourcing risky research

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- n Increasing costs of teaching and learning
  - n Flat European demography, but increasing needs for second chance and life long learning
  - n Universities are not where the students are (China, India)
  - n Increasing pressures to be efficient (“do more with less” and to respond to the market needs)
  - n Increasing difficulties to promote values (sustainable societies: politically, economically, socially and ecologically)
  - n **Last but not least**, European universities are underfunded and overregulated



# New providers and new medias

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Æ Increasing competition from non traditional HEI or providers

- n Subsidiaries and franchise (Australian, US, UK)
- n Private for profit (growth rate: 4 times)
- n Distance learning for first, second chance and LLL students
- n Internet : Google, Google scholar and library, Youtube, Myspace, Facebook, Wikipedia, electronic journals, accessible scholarly archives like Jstor
- n Open learning initiative (MIT)
- n Attractive packaging
- n Interactivity through cell phones, video on demand

Æ The metauniversity (Chuck Vest)



*2<sup>ND</sup> MESSAGE:*  
UNIVERSITIES SHOULD ADAPT  
FASTER

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# Traditional universities are adaptable! fast enough?

- n **Indeed**, universities are adaptable to the development of science and to the changing world
  - n A “genetic” aptitude for researchers and research teams
  - n Institutions have the opportunity to introduce change on the occasion of the recruitment of a new professor or researcher
  - n Institutions do also adapt their teaching programmes, and sometimes their organization
- n **Obviously**, the model worked well for centuries; otherwise, most universities would have disappeared like nearly all firms over hundred years (Drucker's prophecy: *“twenty years from now, universities will be only relics”*)





# The relevant question

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- n Is this model of (bottom up) adaptation up to the increasingly rapid environmental changes and to the knowledge society?
- n My belief: all but certain!
- n Why?
  - n Organization of Universities is unique  $\hat{=}$  extreme decentralization! nearly all the competence is at the base of the pyramid (professors, researchers, advanced students); this is conform to **the subsidiarity** principle
  - n However, decentralization is subject to limits (see federal model)
    - n **External effects** (spill-over effects)
    - n **Quest for economies of scale**
    - n Case of **strong preference for equal treatment of equals**



# Uni. should have clear missions, objectives and strategies!

- n Not a single institution can do everything well, even the most reputable ones!
  - n Teaching masses and life long learners
  - n Doing frontier research in all disciplines
  - n Doing applied research and development for business
  - n Serving the community
- n Consequently, universities should **revisit their missions**, **better define their objectives** and **fix strategic priorities**. This implies:
  - n Thinking SWOT analysis
  - n Revisiting the missions and objectives
  - n Drafting and implementing a strategic (long term) plan, with clear strategic priorities and posteriorities

*3<sup>RD</sup> MESSAGE:*

UNIVERSITIES NEED

A GOOD GOVERNANCE SYSTEM

AND A STRONG LEADERSHIP

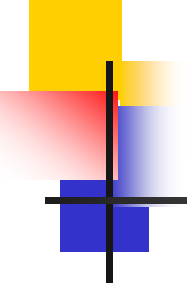
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# Main characteristics of a good governance system

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- n **The challenge:** design a system allowing **both**
  - n To take full advantage of the capacity of teaching and research units to know what is good for them and to take initiatives (decentralized system are motivating)
  - n To allow for a strategic conduct of the institution (responsibility of the leadership)
- n The most delicate questions:
  - n To **make sure that decisions are made possible!** Subtle mix between
    - n The preparation, as well as consultation and information phases
    - n The decision phase (who should decide?):
      - n For the decisions to be made at University level: Rector? Rectorate? Rectorate and Deans?
      - n What about a **supporting** or **counter power** (internal, external or mixed board? Senate? University parliament?)

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- n Determine the **optimal degree of (de)centralization**: bottom up vs top down: Ærefer to the federal model
  - n Revisit the **organizational structure**: Ægo beyond the pure faculty system (faculties are too often ivory towers)?
    - n Innovation is at the border between traditional disciplines
    - n Societal problems are not disciplinary
    - n The relationship “Rector - Deans” is often electric
- ÆIn particular **for research**,
- n go for an organization based more on **outputs (projects)** than on inputs (grouping according to discipline, even if projects are often different)
  - n Project based organization implies the creation of light structures (advanced or interdisciplinary research centers)



# Modern governance is a question of leadership

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- n A **good governance system is insufficient**; universities **need to be lead!** This is mainly the responsibility of the rector/president who need to have many qualities
  - n Be a visionary
  - n Be a leader
  - n Be a strategist and a fine “politician”
  - n Have a “thick skin”
  - n Last but not least, needs to fully understand the functioning of a university and of its administration
  - n In other words, **the perfect leader** is an academic with a strong personality and good management capabilities?
- n Moreover, an institution as complex as a university cannot be lead by a single person: a **team** is crucial



# Modern governance is also a question of tools

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- n **Preference for incentives** over pressures (German excellence initiative)
- n **Competitive budgeting** (base on output and performance)
- n Promotion of a **comprehensive quality improvement system** (quality culture)
- n Students and academic staff **centered** administration



# BY WAY OF CONCLUSION

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# Is my call for better governed and lead European Uni. exaggerated?

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- n I do not believe it is considering:
    - n The mediocre ranking of the great majority of European universities
    - n The emergence of new leading universities (Singapore national university, Kaist, in China, India, .....), which are competing for talents
    - n The technological revolution which is a threat for mediocre institutions
    - n The increasing importance of new providers and new ways of provision
    - n The great difficulties of most European universities
      - n To revisit their missions, objectives and to implement new strategies
      - n To develop a rigorous quality culture
      - n To make decisions
      - n To be adequately funded and be freed from political micro-management
- è **This is why I believe European universities should improve their governance system and have a strong leadership!**