CENTRE
FOR
**GLOBAL
HIGHER
EDUCATION**

Centre for Global Higher Education working paper series

University governance in flux. The impact of external and internal pressures on the distribution of authority within British universities: a synoptic view

Michael Shattock

E·S·R·C
ECONOMIC
& SOCIAL
RESEARCH
COUNCIL

HIGHER EDUCATION *hefce*
FUNDING COUNCIL   FOR ENGLAND

University governance in flux. The impact of external and internal pressures on the distribution of authority within British universities: a synoptic view

Michael Shattock

Contents

University governance in flux. The impact of external and internal pressures on the distribution of authority within British universities: a synoptic view

Michael Shattock

Michael Shattock is a Visiting Professor at the UCL Institute of Education and a Co-Investigator at the Centre for Global Higher Education.

Abstract

This paper reviews changes in British university governance over a period of nearly a century. During this time there have been considerable changes in the way universities have distributed authority in governance although the legal frameworks, statutory and legislative, have remained largely unchanged. The paper shows that there were distinct phases in the internal balances within governance structures and relates these to external pressures, mostly state driven. Critics of current trends in university governance tend to look back to a utopian traditional model but the evidence suggests that the internal balances were always to a considerable extent contingent on external conditions and fluctuated accordingly. There is no evidence that while the state applied pressure for change in various aspects of governance it substantially intervened to impose constitutional changes except in respect to the Higher Education Corporation (HEC) structure for the former polytechnics in 1988 and that, in its most managerial details, was in response to demands from the polytechnic directors themselves. The changes in how authority is distributed were therefore decided by the institutions themselves albeit in response to external pressures. But the paper suggests that institutions' responses were variable and that where a strong research culture existed the accumulation of social capital was such that radical changes in the distribution of authority were resisted. One consequence is that there is now much greater diversity in institutional governance structures with some pre-1992 universities leaning much more towards HEC models, some HECs edging towards more traditional models and some institutions preserving significant elements of authority which others would regard as utopian. In Britain, reputation, research success and brand image are closely associated with the latter.

Reaching back even into the most distant times, governance tensions have been common between lay (often state) and academic authority in university decision-taking. Thus in 1213 the chancellor, the titular head of the university in Paris, issued a 'Magna Charta of the university' (confirmed by a papal bull in 1231) conceding that he had to obtain a vote of professors in matters connected with the teaching of theology and canon law and that candidates for the *licentia docendi* had to be examined by teachers in the discipline and not be solely subject to the recommendation of a single master (Ruegg 1992). In examining, and criticising, changes in British university internal governance it is often assumed there is some sort of 'gold standard' against which change can be measured. What this paper attempts to do is first, to show that there were distinct phases in the development of forms of university governance in Britain, second, to trace the movement of change from one phase to the next and third, to try to determine whether these changes were compelled by external bodies or were an internal response to a changing environment.

British universities cherish their self- governing autonomy but the evidence suggests that it has been more compromised by external forces, notably those deriving from the state, than is generally recognised. Although the architecture of university governance has been protected by charters and statutes approved by the Privy Council or by legislation, the internal balances of where authority lies have been sharply changed in most institutions over time. The paper thus demonstrates that formal, legally based, governance structures do not necessarily inhibit change in governance practice or provide protection from external intervention. The British university model has been transformed several times over the last century and the current model (or models) will no doubt be transformed again in the future.

The changes in university governance in Britain 1919 to 2016

1919 to the mid 1950s

If we exclude Oxbridge because of the atypical nature of its constitutions, the general pattern in England and Wales of the provision of a court, a council, a senate, faculty boards and departments was first established by the Bryce constitution for Owens College in Manchester in 1880 and was replicated in all the unitary civic universities from Birmingham in 1900 onwards. (In Scotland a court performed the combined functions of courts and councils in England and Wales). This was a period of maximum lay power: the University of London Senate (the equivalent of a council elsewhere) had no academic representation at all in the nineteenth century and its membership was nominated externally by the Crown. (The 1880 Scottish Universities Act had also reinforced lay power in Scottish universities.) Moodie and Eustace described the powers of the court and the council (council being the executive body of the court) as being 'virtually unqualified' in the period up to the end

of the second world war (Moodie and Eustace 1974 p 34). Councils controlled the shape and strategy of their universities because they controlled their finances; they also appointed the vice-chancellor. Historically the courts and councils had brought the civic universities into being and had raised the funds to appoint the first staff and build the first buildings; the senates occupied a strictly subordinated position. This began to change in the period after the second world war. The most important factor was the takeover of university financing by the state in 1946 (from 1919 it had provided no more than on average about 30 per cent of universities' funding). This meant that the councils' role in generating and managing institutional finances was substantially removed. Moodie and Eustace show how the change in the balance of authority can be charted through the amendment of university statutes to guarantee rights of consultation by senate on financial issues and to give senates the right to express an opinion on any matter of policy.

But senates were themselves oligarchical in character with their membership made up predominately of professors. Moreover, to be a professor you were almost invariably a head of department who held that post on a permanent basis. Senates, therefore, were made up of subject barons who controlled their disciplines and the curriculum, managed their academic and other staff and were responsible for departmental facilities; the professors also elected the deans who controlled faculty boards and acted as the guardians of academic regulations and procedures. During the 1950s non-professorial academic staff made some inroads into senate membership, usually through the widening of faculty board representation but the fact that every professor was automatically a senate member continued to ensure that the non-professorial academic staff constituted a small minority of the membership. Senates grew more influential (and rather larger) but the vice-chancellor, though powerful as the chair of senate, remained very much *primus inter pares* in relation to the professoriate.

The mid 1950s to 1980

The period between 1960 and 1973 is often described as British universities' 'golden age'. Its beginning saw the establishment of the 1960s New Universities, followed by the Robbins-led expansion and a release of capital funds for new building programmes. It was also a period when lay control through university councils was significantly weakened with senates replacing them as the most influential bodies. Robbins saw the senate as being 'at the apex of academic government' and regarded lay councils as having an only a secondary role (Committee on Higher Education 1963 para 662). Robert Aitken, Vice-Chancellor of Birmingham, described his senate's ability to intervene in issues of financial control, the administration of resources, building plans, investment and business, and administrative affairs generally as being 'entrenched as a principle' (Aitken 1966 p 11). At the same time the powers of the professoriate were reduced: the University Grants Committee's (UGC's) Model Charter, designed to assist the new universities in constructing their governance structures, gave official recognition to significant rights of membership

on key bodies to non-professorial academic staff, and most universities opted for rotating fixed term headships of departments with provision for at least termly departmental meetings. The Charter's encouragement of the idea of an Assembly of all academic staff along the general lines of provisions in Oxbridge, although never adopted in the civic universities, nevertheless gave tacit acceptance of the principle that all academic staff had the right of involvement in the governance of their university. Another change, achieved grudgingly in the wake of intense student activism, brought student membership onto councils, senates and faculty boards, a move endorsed at national level between the Committee of Vice-Chancellors (CVCP) and the National Union of Students in 1974.

In an expanding environment, supported by stable funding, vice-chancellors could exercise academic leadership but were still liable to be held to account by their senates. Noel Annan, Provost of University College London, described the College's heads of departments as 'really the great barons and the Provost as like King John perpetually signing Magna Carta at Runnymede' (quoted in Moodie and Eustace p 143). Vice-Chancellors were reluctant to sanction press statements from the CVCP on their views on the issues of the day until they had cleared them with their senates (Shattock 2012). The 'administration' was, in Moodie and Eustace's description, 'facilitative' and respectful of academic decisions, rather than in any sense managerial. The concluding words of Moodie and Eustace's study summarised a complete reversal of the position occupied by the academic community in the previous period:

> The supreme authority, provided that it is exercised in ways responsive to others, must therefore continue to rest with the academics for no one else seems sufficiently qualified to regulate the public affairs of scholars (Moodie and Eustace p 233)

Conditions were to change sharply, however, in 1973 with the oil crisis and the government's abandonment of the quinquennial funding system (the UGC grant had previously been made for five-year periods) which historically had given universities a secure financial base on which to plan expansion. The massive inflation of the later 1970s brought volatility and uncertainty into university funding arrangements in a way which had not been seen since the 1930s. These new conditions placed universities' reshaped governance arrangements under severe strain.

1980 to 2000

The latter years of the 1970s served as an introduction to the financial stringencies of the 1980s and 1990s, a period of extended Tory rule until the Labour victory of 1997. Labour, however, chose to continue Tory austerity for two further years until 2000 delivering a cumulative fall in the unit of resource in university funding per student of 45 per cent over the period back to 1980. The 1980s also saw the abolition of the UGC and its replacement by funding councils intended to be

executive instruments of government rather than policy organs themselves, the devolution of higher education to Scotland and Wales, and, in 1992, the upgrading of the polytechnics (and their equivalents in Scotland) to university status and the removal of the binary line.

The 1980s were notable for gradual but emphatic changes in governance practice: vice-chancellors, finding themselves obliged to steer their universities towards slimming down the academic programme to meet the effects of the 1981 cuts began, some with reluctance, others with enthusiasm, to act as both academic and managerial leaders. Their changing role was characterised by the Jarratt Report (1985) as being that of a 'chief executive'. Senates themselves coped variously with the decision-making required to reduce staff, close departments and discontinue courses but an exercise undertaken to survey how universities managed the cuts suggested that senates, properly briefed, were perfectly capable of making hard choices (Sizer 1985). There were, of course, exceptions such as at Manchester where, in a classic account of a senate meeting, Austin, a political scientist, described how the 270 strong body was unable to meet any of the strategic criteria it had agreed before attempting to implement its committee's recommendations for academic re-structuring required to meet the budget reductions. One consequence of the cuts and the recommendations of the Jarratt Report was to encourage universities to establish inner cabinets, usually formally reporting to senates, to assist the vice-chancellor in the management of university business and to streamline burgeoning committee structures. These moves seemed to some critics to be reversing the trend towards the greater 'democratisation' of university governance that had characterised the previous period.

The Jarratt Report, however, raised a more fundamental governance question, the role of the council, as the institution's governing body, in strategic decision taking on how to meet financial requirements and whether some tension between senates and councils might not sometimes be desirable; the Report called on councils to assert themselves. From this point on the balance between the roles and influence of senates began to change. It was accelerated by the constitution accorded to the polytechnics in 1988 to establish themselves as higher education corporations (HECs), which was carried over in 1992 when they became universities. This constitution removed from academic boards (the parallel bodies to senates) any rights in respect to the determination of institutional strategy and reserved them firmly to the vice-chancellor and the board of governors (the parallel body to councils), thus creating a pseudo company board structure in which the vice-chancellor was explicitly a chief executive to a board which contained only a minimal academic staff representation. The balance was tilted further by the Dearing Report in 1997 which recommended that all governing bodies should reduce their membership to 25 (the same size as the new universities'), should be made subject to five yearly reviews of governing body effectiveness and should be made explicitly responsible for monitoring the performance of the executive and for determining institutional strategy. The creation of a formal Committee of University Chairmen and

their publication of a Guide on governance served to spread the ethos of these changes across the whole sector though they were only variably applied in the pre-1992 universities.

2000 to 2016

The trends that were apparent in the previous two decades have intensified. Senates in the pre-1992 universities continued to lose ground to their councils while the post-1992 academic boards were entirely subordinate to their vice-chancellors and governing bodies. The HEFCE Financial Memorandum, which spelt out the conditions on which universities received public funding, made no distinction between the two sets of constitutions in stating that the governing body 'is collectively responsible and has ultimate non-delegable responsibility for overseeing the institution's activities, determining its future direction and fostering an environment in which its mission is achieved.' (HEFCE 2010 para 18). Even a pre-1992 council chair defined the role of the governing body as 'setting the strategic framework within which the executive under the vice-chancellor work and holding them to account for delivery' (Morgan 2012). The draft Code of Governance, commended to all universities by the Lambert Report, made no mention of the role of senates and academic boards at all (Lambert 2003).

The real beneficiaries of the decline in senate/academic board influence were not, however, governing bodies but vice-chancellors and senior management teams (SMTs). Ashby, a hugely respected and influential university figure in the 1960s, writing for a US audience in 1971, could say without fear of contradiction that 'There is no administrative estate in the British universities' and compared the situation in the US where administrators in public universities were answerable to the regents, to that in Britain where they were agents of the faculty (Ashby 1971 p. 67 quoted in Epstein 1974). Sloman, the incoming vice-chancellor of the new University of Essex described university administration in his BBC Reith Lectures, as 'an academic civil service' (Sloman 1963 p.87). In Oxford the Franks Report argued that 'the value of an efficient civil service in a university is that it makes possible, even with a complicated structure, to practise democratic control by academics of the policies that shape their environment' (University of Oxford 1964 para 556). Perhaps the greatest transformation in university governance has been the transfer of decision-making powers over such policies to chief executives, SMTs and to 'manager academics' (Deem *et al* 2007): inner cabinets answerable to senates have become SMTs, administrators have become managers.

Evidence for this transformation can be found in the mania for top down reorganisations of academic decision-making structures. Thus Hogan, in two investigations over 1993 to 2002 and 2002 to 2007, found that 74 per cent of institutions examined in the first and 65 per cent in the second had been subjected to quite fundamental restructuring involving reducing and merging faculties and departments, the creation of devolved colleges or schools and the establishment of

new senior officer posts to be filled through public advertisement from outside the university rather than from election from within (Hogan 2005 and 2012). This proliferation of senior posts had always been a feature of the post-1992 universities but Shepherd shows that the number of such posts increased by 40 per cent in the pre-1992 universities between 2005 and 2012 (Shepherd 2012). Between 1994-95 and 2008-09 the proportion of university expenditure on university administration and central services grew significantly at the expense of expenditure on academic departments (Hogan 2011) while Morgan showed that between 2004-05 and 2008-09 the numbers of professional posts increased by some 30 per cent (Morgan 2010).

An important element in the growth of a powerful executive has been that it is not answerable to the organs of academic governance but to a management hierarchy. This hierarchy is constitutionally answerable to the lay dominated governing body but because boards of governors meet normally only four or five times a year and, because the SMT controls the flow of information to it, the board has difficulty in exercising anything like the clear principal agent role that the Financial Memorandum, quoted above, or, in the case of the pre-1992 universities, its constitutional position, implies. Faculty/college deans or pro-vice-chancellors, appointed from outside the institution, are answerable upwards to an SMT rather than to an electorate of academic colleagues. Consultation can be minimal in the appointment of heads of departments/schools. Line management from the top tends to replace previous bottom up electoral processes. The result has been to distance the individual academic from involvement in institutional governance and, in many institutions, to construct a workplace environment quite unlike the environment found in the 1960s and 70s.

This generalised picture of a transformation over 50 years from the collegial to the hierarchical must, nevertheless, be qualified. In the period between the mid 1950s and 1980 and, to a rather lesser extent, in the period 1980 to 2000, governance structures were broadly common across the pre-1992 universities, except in Oxbridge; in the polytechnics and the post-1992 universities governance structures were also closely aligned. However, a more variegated set of structures is becoming apparent in the most recent period. The factors that have encouraged this are explored in more detail in the third part of this paper.

The external and internal drivers of change

As stated above, British universities' legal autonomy has, historically, been guaranteed by their charters and statutes or by Acts of Parliament which have prescribed and defined their organs of government. But the balance of authority within their governing structures has fluctuated sharply over the last century. Is this because universities have adapted to changes in the external environment, or because of direct pressure from the state or the result of internal debate intended to

achieve greater effectiveness? Why and how have some institutions differentiated themselves by resisting these changes?

1919 to the mid 1950s

1919 was a critical year in the history of British universities because it marked the date of the founding of the UGC and the acceptance by government that, for the university system to survive, universities' finances had to be regularly subsidised by the state. In accordance with Treasury thinking, the subsidy was paid as a deficiency grant and was calculated on the basis of what the UGC thought a university would require to carry out its functions over and above what its private income would provide. The composition of the non-UGC income and its forecasting over the next quinquennium was therefore of absolute importance and was heavily subject to a lay governing body's involvement. Leeds University, for example, had run nine separate public appeals between 1873 and 1919 and launched a further appeal for new buildings in 1926 to which there were 4,000 individual contributions. Lay members of university councils were a crucial element in such efforts and individual members were often large contributors. At Leeds a gift of £1,000 would guarantee life membership of the Court, technically the University's governing body. It is not surprising, therefore, that university councils should have played a vigorous and sometimes challenging role in a university's affairs, and that senates should recognise their financial dependence on the lay element of their governing structure. This is not to say that councils did not sometimes overstep the mark: one council attempted to require that scientific and technological lectures should be subservient to local trade interests and provoked a robust response from its senate. Indeed, the UGC was sufficiently concerned about the principle of excessive lay control that it denied Nottingham a place on its grant list until it had included a measure of senate representation on its council (Shinn 1986). Nevertheless, lay control of finance, and by implication, strategy was not seriously contested in the civic universities and colleges in this period; Oxbridge was regarded as *sui generis* in maintaining an entirely academic governance structure. In the circumstances of the times lay control looked like the natural order of university governance.

The mid 1950s to 1980

The environment entirely changed in the postwar period: in 1946 academics had almost invariably seen war service and were much less tolerant of lay claims to particular expertise; the UGC was reformed and its membership was now preponderantly drawn from serving academics; and, most important of all, the state had taken over the funding of the university system so that the lay role in generating resources was, effectively, eliminated (in any case the ability and willingness of local industry to contribute to a university was strictly limited by the country's precarious financial position). UGC letters about university development and quinquennial settlements linked to student intakes fell clearly within a senate's interest but well outside the average layman's expertise or ability to interpret them. Noel Annan, in a

paper on university governance to the Committee of Vice-Chancellors and Principals, in 1970 asked:

> Is there a university in the country where [the governing body] is not a dignified rubber stamp? The true governing body is the senate….Even council's finance committee does little more than set the stage for cutting the cake….We cannot and should not want to return to the days when council really governed. We prefer self government by the academic staff (quoted in Shattock 2012 p. 215)

The revolution in university governance also penetrated into the internal processes of academic self government. The percentage of academic staff who were professors stood at 34.4 per cent in 1910 and had fallen to 11.5 per cent in 1964 but senates were still dominated by the professoriate. In Halsey and Trow's sample of academic staff opinion in 1964 over 80 per cent of the non-professorial staff agreed, either strongly or with reservations, with the statement that 'a serious disadvantage of Redbrick universities is that all too often they are run by a professorial oligarchy' (Halsey and Trow 1964 pp 377-381). A widening of the franchise for senate membership, deanships and heads of departments, and a much greater reliance on electoral processes to achieve representation was the result. Moodie and Eustace, writing a decade later argued that universities were run by 'consensual democracy' and that 'stress is placed upon discussion and persuasion as the proper means to securing agreement upon the most important decisions' (Moodie and Eustace 1974 p. 221) rather than on managerial fiat.

Students also sought greater representation but with much more political effects. They demonstrated, occupied buildings, conducted rent strikes and attracted acute media interest. Universities were generally ill prepared for dealing with direct action. In the end the concession of modest student representation on council and senate, and in some universities, on faculty boards seemed a relatively hard nosed response to a much wider set of demands. But their capture of media interest ensured that universities gave the impression of ineffectiveness in responding to student pressure. This led to widespread public concern about the quality of university management, hitherto regarded with some deference. Universities could argue, however, that they had moved with the spirit of the times in their liberalisation of their governance structures and that the growth of senate control represented a pragmatic response to national financial and planning procedures which required a much more direct involvement by the senior governance organs of the academic community.

1980 to 2000

The 1981 cuts had a marked impact on university governance arrangements: 'consensual democracy' was placed under very great strain and in some universities like Manchester (see above) the senate was simply incapable of reaching any other decision than spreading the cuts equally across the institution rather than taking the

opportunity to disinvest in weaker areas. Down the road, however, at Salford University, which suffered the deepest cut of any university (46 per cent spread over four years), the university did just that and survived. In spite of this the view expressed by the chairman of Unilever that universities had 'neither the organisational structures nor as yet the management skills to deal with what will be a very difficult situation over the next few years. Industrialists have had to learn how to manage in difficult times….' (Durham 1982) was widespread and led directly to the Jarratt Report's call for councils to 'assert themselves'. In a situation where government was to reduce the unit of resource by 45 per cent over this 20 year period it is perhaps not surprising that the state showed little confidence in academic decision- making and emphasised the benefits of simple board structures where lay governors acted as the decision- takers on the advice of chief executive officers.

Most compellingly, the state had a model in the HEC constitution of the polytechnics, introduced when they were transferred from local authority control. The polytechnics had expanded rapidly and had outgrown the ability of local authorities to manage them. They did not take their internal decisions collegially – some were heavily unionised – but on the initiative of a directorate answerable to a local authority dominated governing body. The polytechnic directors made it clear to government that for any process of establishing polytechnics as independent corporate bodies, as envisaged in the 1987 White Paper, the director must be given real powers of institutional leadership and management. In the words of one director, writing to the Secretary of State, academic boards were 'mechanisms for procrastination and obstruction by vested interests' (quoted in Shattock 2012 p. 222). The new boards of governors, head hunted by the Department of Education and Science (DES), were packed with people from industry and commerce and proved to be considerably more effective than the previous local authority based boards, playing a role in preparing the polytechnics for corporate status not unlike that exercised by the lay governors in the pre-second World War universities. In 1992, when the polytechnics became universities, it is not at all surprising that chairs and lay members on new university governing bodies felt a strong sense of ownership of the institutions they had brought into being.

A further collateral impact on the internal distribution of authority was encouraged by the UGC's introduction of research selectivity in 1985 and its reiteration in 1989, 1992 and 1996. This was followed by Teaching Quality Assessment in 1992 where academic departments were subjected to heavily process driven assessments culminating in the award of scores which then contributed to media- led institutional league tables. These processes represented a serious external intrusion into what had previously been 'the secret garden' of an individual's academic life but also provoked internal managerial intrusion because performance in them had institutional financial and reputational implications; willy nilly the organs of academic governance became involved in extensive performance management on agendas essentially created to satisfy external requirements. Such activities could be punitive in terms of departmental reorganisations and the closure of academic programmes, all the more threatening to the individual by the removal of tenure in the 1988

legislation. They were accompanied by the growth of a supporting bureaucracy of non- academic administrators, research and enterprise managers and quality managers answerable to 'manager academics'. These administrators were not 'facilitators' as in the past but the representatives of what many members of the academic community, particularly in the pre-1992 universities, saw as examples of the new managerialism. For many academics this marked a significant change in their relationship to their institution: from being a member to being an employee, from being a partner in an enterprise to being someone whose performance could be measured by remote internal and external bureaucracies. This constituted a negation of the individual autonomy of the professional.

The year 2000 marked a staging point in a drift by many pre-1992 universities to something more approximating a post-1992 model. It was driven by pressure from Dearing and HEFCE for governing bodies to exercise greater authority in the running of universities, with the complementary reduction in the influence of senates and academic boards, and by the demands placed on university management by increasing financial stringency, coupled with the external pressures which arose from research selectivity and teaching quality assurance. In part these pressures derived, sometimes directly, at other times indirectly, from an inherently unsympathetic succession of Tory ministers but in part they also derived from the fact that the universities were operating in a continuously defensive mode reacting to a generally unfriendly external environment.

2000 to 2016

Conditions were to change under New Labour and the change has been reinforced under subsequent governments. Temple has suggested (Temple 2016) that the move to marketization can be divided into two phases, the first ('Market 1') extended over the 1980s and 90s where the state encouraged competition between universities by buying expanding student numbers on the basis of price; the second introduced tuition fees in 2000 (except in Scotland), began a switch to 'Market 2' which, from 2012, with the controls on student numbers removed, based the funding of teaching virtually entirely on tuition fees determined by student customer choice. This radical inversion of the funding system placed the management of universities on a very similar basis to that of private enterprises, and was accompanied by the freeing up of the conditions for the establishment of private universities, although the state retained the ability to influence the market through its control of the financing of student loans.

It is perhaps too early to reach firm conclusions on the impact of this change on university governance but three developments should be noted. The first is that the removal of the student number cap and the financial risks attached to shortfalls in student recruitment puts greater stress on the marketing function and reinforces the role of senior management. The second is that the risk of market failure increases the sense of insecurity among academic staff. The third is that while the move to an

explicit market might have been expected to reinforce the power of the lay voice in strategy, as being more experienced in operating in a private market place, it would seem to have reinforced the power of the executive. There is no evidence of governing bodies not accepting the judgement of the vice-chancellor in regard to the level of tuition fee that should be charged either for home or international students though there is some hearsay evidence to suggest that some governing bodies have looked for explicit corroboration from the director of finance before accepting the proposal. Governing bodies lack the expertise to challenge a well briefed SMT in such a technical area of strategy and are not well equipped to offer alternative views. They risk becoming entirely dependent on the chief executive and his/her team, a position almost unimaginable in the thinking about the role of governors in determining strategy in the Dearing Report (1997).

However, the most important driver of change has been the arrival of a league table culture. Beginning with *The Times Good University Guide* in 1992, a succession of British newspapers began to publish national league tables drawing on official statistical material and the results of research and teaching assessments. In 2004 these were augmented by world league tables, of which the most influential were produced by the Shanghai Jiao Tong University and the *Times Higher Education.* Not only do universities believe that league table rankings affect student recruitment but, more importantly, they confer general institutional prestige. Hazelkorn has shown how institutional heads' ambitions for their institutions have become geared to league table placements (Hazelkorn 2011) and league table positioning has become a key element in institutional strategies. A new era of competition, national and global, has been born, again strengthening the role of the executive vis a vis the governing body on the one hand and the academic staff on the other.

What have been the drivers of institutional governance change?

The external pressures

Except in respect to the HEC constitution, it would not be correct to say that the state had imposed major change on university governance structures. The two significant changes imposed by the state, both in respect to the pre-1992 universities, the insertion of clauses removing permanent staff tenure and the removal of the powers of university courts to override decisions of university councils, while technically important, had no very marked impact on governance in practice. The reinforcement of the *de facto* power of the governing body in the case of the pre-1992 universities has been achieved by the backdoor through amendments to the Financial Memorandum but has not involved any statutory change. It is tempting to conclude that the main driver for change was always the state, particularly in the period 1980 to 2000 when the government clearly had little sympathy with the liberalisation of university governance that had taken place in the 1960s and 70s and was

determined to seek to turn back the clock. The intervention of the polytechnic directors in 1988 was welcomed by ministers because it enabled a new business-like constitution for the non-university sector of higher education to be created which passed without amendment to the new universities in 1992. But it was a matter of choice for the pre-1992 universities as to whether they should move in the direction of the post-1992s and for many the liberalisation of the 1960s and 70s remains a utopian model of good practice.

Undoubtedly a key influence on governance structures has been the funding regime – how much and how it was delivered. The high dependence on private funding in the 1920s and 30s gave a special role to university councils which passed to the senates when the great majority of recurrent and capital grant came via the UGC. The financial stringencies of the 1980s and 90s greatly enhanced the role of the vice-chancellor and his senior team and encouraged a more ostensibly managerial style. 'Consensual democracy' was more difficult to operate in periods of austerity. Moreover it attracted little sympathy in government where the mystique of New Public Management had taken firm hold. The transfer to a marketised system of funding has changed the internal balances again, further strengthening the role of the executive and rendering both the governing body and the academic community increasingly dependent on its expertise in managing risk, interpreting and exploiting the market and taking advantage of external opportunities. But questions of accountability for failure have yet to be fully resolved: we know that in the past governing bodies have rewarded their chief executives generously, further increasing the gap between senior managers and the academic rank and file, but we have yet to see whether institutional failure will penalise governing bodies as well as their chief executives.

Allied to issues of funding have been issues of institutional size. Universities have tripled or quadrupled in size since the 1960s, former polytechnics have grown to 30,000 student universities on multiple sites. The effect has been to distance individual academic staff from the kind of proximity to decision-making that would have been regarded as common in much smaller institutions. However, important as growth has been in changing the institutional climate the most substantive changes for staff have been those that have impacted on the academic heartland of research and teaching. These have combined for many to change their relationship to their institution and reduce their sense that participation in its governance was a natural academic right or indeed a proper concern.

A third key influence has been the growing emphasis on competition, both national and international. Universities have always competed for outstanding staff as well as for students but two factors have greatly enhanced the pressure. The first was the introduction of institutional league tables and rankings. Between 1992 and 2004 these were restricted to British universities and, while they were thought to influence the student market, they did not affect the national funding regime because demography was working in universities' favour. The introduction of world rankings in 2004 had a much greater effect because it impacted directly on the international

student market on which universities had become highly dependent financially, and because the ranking level more obviously affected an institution's reputation at a time when the demographic picture was much less favourable and also offered more impressive credentials to a wider public. But the rigours of competition were intensified by the decision to fund the higher education system primarily through tuition fees (Temple's 'Market 2') and to abandon any control over student numbers allowing universities to grow their student populations at the expense of one another. This, as with all markets, can have a corrupting effect on universities not strong enough to resist it. Paradeise and Thoening, writing in a European context, offer an apt description of 'wannabe' institutions prepared to sacrifice their organisational integrity to the demands of competition by seeking:

> to build up national reputations or to convert them into international excellence….they try to play in the major league. Their ambition is to become successful quickly….they deploy radical rebuilding strategies that involve clean breaks with their past……They develop a sort of cherry picking organisational model.

Hogan's research, reported above, illustrates the 'wannabe' tendency among universities which have engaged in massive organisational restructuring with no research evidence whatever that the resulting turmoil will of itself produce better results. Further examples can be seen in institutions which designate a ranking position as a strategic target, which undertake governance reorganisations simply to mirror more successful institutions and which look for short cuts to better performance by increased investment in top managerial positions; good governance becomes sacrificed to short term objectives and open discussion about such objectives is discouraged.

One conclusion that can be drawn from an extended examination of university governance is that while there has been little change in the formal structures there have been very significant changes in the balance of authority within those structures and that these changes are primarily in response to changes in the external environment. Over the past century the balance of authority has shifted from the governing body to the senate, and back again, and perhaps now to the executive while the involvement of the academic staff has waxed and now waned. (To date, in spite of marketisation the involvement of students has remained at a relatively low formal level). The chief driver of external change has been the state. British universities claim significant institutional autonomy as compared to universities in most other systems but perhaps this deserves reassessment in light of the way these changes in the way the balance of internal authority seems to have mirrored the steps by which the state has chosen to manage the system.

A mixed institutional response

However, it is a striking fact that not all universities have followed the trend lines suggested above. It is not just that not all the pre-1992 universities have slipped into post-1992 mode, though some have, or that some post-1992 universities have become increasingly collegial and pre-1992 like, but that some universities have actually resisted the environmental pressures and have retained the modes of governance, and the balances of authority within their internal machinery that they more or less always had. Paradeise and Thoening identify a 'top of the pile' group of institutions which

> draw their strength from their massive social capital in so far as it provides a key asset to build and sustain productive tension at a very high level between ostensibly conflicting spheres: professional and administrative on the one hand, individual and collective on the other.

In these institutions, they suggest: 'Solid institutional governance rules and norms shared by all their components allocate authority and legitimacy to the final decision-makers despite the fact that they function as heterarchic political systems'. What distinguishes these institutions is that they have developed an organisational culture which gives them the resilience to continue to rely on trusted constitutional arrangements, on the virtues of academic participation in decision-making and on the exercise of consultative leadership.

 An essential component of this differentiation is an emphasis on research. Research communities embody an intellectual equality that encourages openness, transparency and participation. This mirrors the principles on which university governance, in the liberal form in which it was once practised, was based. The universities that stand out in the most recent period as not slavishly adapting to external trends are invariably the research intensive universities beginning with Oxford and Cambridge but certainly not limited just to them. For research universities, collegiality and stability of governance processes are not signs of complacency in the face of external change but rather of institutional self confidence and a belief that what worked for them in one set of circumstances will continue to do so in another.

What we can see now, therefore, is a more variegated picture of university governance than in any previous period. We have a subset of research universities which have largely retained their previous modes of governance. They might not claim that decision-making could be described as offering an example of 'consensual democracy' but at all significant levels that matter there is a significant academic input and the main organs of governance have remained in place. On the other hand, there are substantial numbers of institutions which have strongly top down governance models where the academic community is effectively excluded from any major questions of institutional policy. In between there are institutions which have

pockets of research cultures in particular academic areas but which have their backs to the wall in respect to national pressures for research concentration, to the need to maintain student recruitment levels and perhaps, most of all, to retain or develop a brand image which will help them hold their position in national and international league tables.

This is a situation created in part by the history of the development of the British university system. Twenty years ago Clark argued the inevitability of the emergence in all mass higher education systems of institutional diversity determined by research performance (Clark 1995). As the results of the first (1985-86) research selectivity exercise showed there was already a fair degree of concentration of research within the pre-1992 university sector, before formal selectivity processes were introduced, and this was strengthened by the regular reiteration of national evaluations of research performance thereafter; the polytechnics, on the other hand, were never funded for research and a quarter of a century after the award of university status only a small proportion of them have been able to develop a research profile except in specialist areas. But the differentiation has not been the product of history alone because we also have a group of pre-1992 universities, many of whom fit the 'wannabe' description, whose research performance has fallen behind and whose governance systems have moved much closer to the HEC model.

Social capital in universities does not derive exclusively from research but the conjunction of research performance and governance style suggests a very close relationship. There are, of course, virtues in adaptability to external environmental pressure but the evidence of the British system is that university reputation, research success and brand image are closely associated with adherence to an earlier governance model, and that the loss of collegiality, the growth of top down management and the disengagement of academics from the machinery of institutional self government is prejudicial to academic performance. The state may have heavily loaded the dice in pushing the higher education environment in particular directions but in the end it has been a matter of institutional choice whether to re-balance governance structures to align with them. The result has been to create a diversity of governance styles and practice which would have been inconceivable even 20 years ago. There seems to be no good reason why this diversity will not increase.

References

Aitken, R (1966) *Administration of a University* London: University of London Press

Ashby,E (1971) *Any Person, Any Study* New York: McGraw-Hill in Epstein, L D (1974) *Governing the University* San Francisco: Jossey-Bass

Austin, D (1982) 'Salva sit universitas nostra: a memoir' *Government and Opposition* 17 pp 469-489

Clark, B R (1995) *Places of Inquiry : Research and Advanced Education in Modern Universities* Berkeley: University of California Press

Committee on Higher Education (the Robbins Committee) *Higher Education Report* London: HMSO Cmnd 2154

Committee of Vice-Chancellors and Principals (the Jarratt Committee) (1985) *The Report of the Steering Committee on University Efficiency Studies* London: CVCP

Deem, R, Hillyard, S, and Reid, M (2007) *Knowledge, Higher Education and the New Managerialism* Oxford: OUP

Durham, K (1982) 'Foreword' in Oldham,G (Ed) *The Future of Research* London:SRHE

Halsey, A H and Trow, M (1964) *The British Academics* London: Faber and Faber

Hazelkorn, E (2011) *Rankings and the Reshaping of Higher Education* London: Palgrave Macmillan

HEFCE (Higher Education Funding Council for England) (2010) *Model Financial Memorandum between HEFCE and institutions* HEFCE 2010 19 July

Hogan, J (2005) 'Should form follow function? Changing academic structures in UK universities' *Perspectives: Policy and Practice in Higher Education* 9 (2) pp 49-56

Hogan, J (2011) 'Is higher education spending more on administration and, if so why?' *Perspectives: Policy and Practice in Higher Education* 15 (1) pp 7-13

Hogan, J (2012) 'Restructuring revisited. Changing academic structures in UK universities' *Perspectives: Policy and Practice in Higher Education* 16 (4) pp 129-135

Lambert, R (2003) *Review of University Business-Collaboration, Final Report* London: H M Treasury

Moodie, G C and Eustace, R (1974) *Power and Authority in British Universities* London: George Allen and Unwin

Morgan, J (2010) 'Market forces blamed for 30% increase in managers' *Times Higher Education* 7 October

Morgan, J (2012) 'Governance track for man who helped privatise the UK's railways' *Times Higher Education* 24 May

National Committee of Inquiry into Higher Education (the Dearing Report) (1997) *Higher Education in the Learning Society* London: HMSO

Paradeise, C and Thoening, J C (2013) 'Academic institutions in search of quality. Local orders and global standards' *Organisational Studies* 34 (2) pp 189-218

Ruegg, W (1992) 'Themes' in De Ridder-Symoens, H (Ed) *A History of the University in Europe. Volume 1. Universities in the Middle Ages* Cambridge: CUP p 238

Shattock, M L (2012) *Making Policy in British Higher Education 1945-2011* Maidenhead: McGraw-Hill/ Open University Press

Shepherd, S (2013) 'Appointing pro-vice-chancellors in pre-1992 universities: different process, same results' SRHE Conference, Newport

Shinn, C H (1986) *Paying the Piper The Development of the University Grants Committtee 1919-1946* Lewes: Falmer Press

Sizer, J (1987) *Institutional Responses to Financial Reductions in the University Sector* Loughborough: Loughborough University Press

Sloman, A (1963) *A University in the Making* London: BBC

Temple, P (2016) 'The Idea of the market in the financing of English higher education' in Barnett, R, Temple, P, and Scott P (Eds) *Valuing Higher Education* London: UCL IoE Press pp 42-59

University of Oxford (the Franks Report) (1964) *Report of a Commission of Inquiry under the Chairmanship of Lord Franks* Oxford: OUP