Between "autonomy and control"
A comparative perspective on university governance reforms

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Key words
Abstract

Between "autonomy and control": A comparative perspective on university governance reforms

Finding an adequate balance between university autonomy and governmental control is crucial given the important socio-economic role that higher education systems play in contemporary ‘knowledge societies’. Focusing on convergences and divergences in university governance trends in two OECD countries, Australia and Germany, this paper identifies and discusses some of the tensions between autonomy and control in the governance of contemporary universities. A particular focus in this regard is on the tensions between various forms of organizational autonomy and novel forms of governmental control existing in the respective higher education systems. The rationale for comparing Australia and Germany is that both countries share some major university governance imperatives – to improve the accountability, efficiency, and effectiveness of universities – yet they also exhibit striking divergences in their stage of university governance reforms and directions taken.
1) Introduction:

More recent developments in the governance of universities point toward a peculiar political tension. On the one hand, many governments have more recently sought to increase, directly or indirectly, their control over the modern university and its core activities. The rationale for increasing control over the university is a strategic one, reflecting the crucial social and economic role higher education systems play in contemporary ‘knowledge societies’. Yet on the other hand, there has been increasing recognition among governments that universities, in order to effectively fulfil their important role, need to be granted a certain degree of autonomy.

Yet what is precisely meant by ‘autonomy’ in this context remains contested, both in theoretical and practical terms. Even worse, and as pointed out by various commentators, more recent models of university autonomy can be deemed contradictory in many respects, and thus as having ambivalent practical implications for the behaviour of universities.

For example, political scientist Tom Christensen contends that recent university governance changes harbour a peculiar contradiction: While the autonomy of universities in a range of countries has increased formally, their actual autonomy appears to have decreased if compared to former times (Christensen 2011, 515).

The resulting ‘paradox of university autonomy’ – universities being formally more but actually less autonomous than in former times – is regarded as having its grounds in the more recent proliferation of formal (and often also formalized) performance-based governance mechanisms controlling the behavior of universities. These governance mechanisms, it is argued, tend to reinforce a more distant (see Marginson 1997) yet nevertheless strongly centralised form of (governmental) control over universities and their activities; as well as covertly reinforcing reregulation and formalisation tendencies (Christensen 2011, 512; see also Ramirez 2006; Whitley 2011).

Similarly, in a recent paper, higher education scholars Enders, Boer, and Weyer, explicitly identify the use of organisational autonomy with the aims of aligning universities “more closely with governmental goals” (2013, 16, my emphasis). Hence, they regard the ‘new organisational autonomy’ granted to universities as ultimately being of a ‘regulatory’ rather than deregulatory nature (see on this point also already Marginson 1997, 64).

Finally, based on the comparative study of the governance modes of various European higher education systems, public administrations scholars such as Gilbert Capano (2011) have claimed that despite the apparent changes in systematic governance, in many respects, “government continues to govern” (18), and they do particularly so if they are the ones who are setting the targets to be achieved by universities.

In this paper I want to compare more recent governance changes in two major university systems – the Australian and the German – to advance the existing debates in the higher education literature about the potential and pitfalls of new forms of university autonomy (e.g., Christensen 2011; Enders, Boer, & Weyer 2013; Bleiklie & Kogan 2007).

My discussion has two major aims:

1) To identify and discuss explore some of the specific tensions and contradictions implicit in current policy frames for and actual manifestations of university autonomy, from a perspective comparing developments and trends in two countries, Australia and Germany. A particular focus in this regard is on
2) To identify and reflect upon some of the apparent organizational articulations of these tensions and contradictions. One focus in this regard will be what Coccia has termed “administrative bureaucratization” (2009), that is, the increase of administrative staff in comparison with academic staff at higher education institutions.

This paper is mainly based on a comprehensive grant proposal submitted to the Australian Research Council (ARC) earlier in the year. The (preliminary) findings presented here are informed by

- my current research on university governance undertaken as part of ARC funded project exploring policy strategies and their effects on ‘knowledge-building’ in Australian higher education;
- synthesis of available literature in the fields of higher education, political science and public administration;
- and my knowledge of both the Australian and the German higher education systems attained in various academic and professional roles over the years.

2) Rationale for comparing HE governance in Australia and Germany:

The rationale for comparing and contrasting developments in Australia and Germany lies in the tensions between the broad convergences existing on the level of the more explicit policy aims, and the divergences becoming manifest on the level of actual governance trends.

On the one hand, both Australia and Germany have exhibited somewhat similar (yet not identical) governance imperatives – to improve the accountability, effectiveness and efficiency of their HE system. Yet on the other hand, there is emerging evidence that both countries exhibit not only broader convergences but also specific divergences in their respective university governance trends. These divergences concern both the system level and institutional dimensions of university governance reform.

System-level governance changes in Australian HE

With regard to its university governance reforms, Australia has been in the vanguard internationally, drastically reforming its university governance arrangements along so-called ‘New Public Management’ (NPM) lines already from the mid-1980s onwards (see Marginson & Considine 2000). The “turning point” (Marginson and Considine 2000, 28) in this regard were the so-called Dawkins reforms from 1987. Since then, at least some persisting governance trends can be identified in Australian higher education, somewhat regardless of the changes in government that have been taking place.

- There has been a comparatively strong reliance on strongly centralized, formalized and consequential performance-monitoring and evaluation mechanisms, particularly as concerns university-based research. There also is a high level of governmental control over research grant decision-making processes (example of ARC and ministerial intervention).
- Related to this, governmental funding for universities has been strongly tied to various quantitative output measures both in research and teaching (e.g., number of publications or number of graduates), which have been applied uniformly across the sector. Universities have widely replicated these measures internally to maximize revenue and create internal competition for funds.
- Moreover, there has been a continuing reduction of Australian government funding for universities – as a ballpark picture, in 2012, around 45% of the revenue of Australian universities came (DEST 2012),

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1 In practical terms, NPM is mainly based on two core pillars: first, the development and use of formal measurement systems to evaluate performances and to distribute funding according to the results (or ‘outputs’) achieved, and second, the devolution of responsibilities for the management and administration of those activities to the various organizational actors whose activities are to be evaluated. The first countries to introduce NPM reforms were New Zealand and Australia in the early 1980s. Subsequently the core ideas spread, first throughout the Anglosphere, and then, to various degrees, throughout much of the rest of the world (see Pollitt & Bouckaert, 2004).
between “autonomy and control,” from the Australian government. By comparison, in 1983, this figure was sitting at 91% (DEST 2005; see Marginson 2007, 20).

System level governance changes in German HE
By international standards, Germany – with a university governance system which traditionally had both “a strong state authority and an equally strong academic oligarchy” (Krücken & Meier 2006, 244) – can be considered a reform latecomer. Here, more comprehensive governance reforms have only been implemented since roughly the late 1990s (Bleiklie & Michelsen 2012; Schimank & Lange 2009).

- As has been observed in the literature, in more recent times, NPM mechanisms have also been introduced into the governance of German universities (Schimank 2005). However, there has been no sweeping restructuring of governance arrangements as has been the case in Australia, and in many respects, the novel NPM governance elements tends to be integrated in, or coexist with, long-established professional and bureaucratic forms of governance (see Bleiklie & Michelsen 2012). This is directly reflected in the fact that performance measurement in German higher education overall tends to make stronger use of professional forms of evaluation such as peer-review than is the case in Australia. Also, research grant decision-making processes in Germany are more strongly devolved to the academic community than is the case in Australia, with less scope for direct governmental intervention.
- As in Australia, there has been a move toward competition-based funding in German higher education, particular as concerns research. There also has been a proliferation of agreements that tie the funding of universities to targets in the Länder. Finally, there has been a decrease in the proportion of base funding, while the proportion of strategic or performance-based funding has increased (see OECD 2006).
- At the same time, and in stark contrast to the situation in Australia, government still provides the vast majority of funds to universities (around 90%, with 80% coming from the Länder and 10% from the federal government).\(^3\) The by international standards rather low tuition fees that were introduced by most of the Länder in 2007 have proven to be unpopular and were phased out again.\(^4\)

As will be shown, there is mounting evidence that the overall university governance reform process in both countries has had, with regard to the concerned institutions and their autonomy, rather different governance and organizational ramifications. In order to pinpoint these ramifications, it is however first of all necessary to subject current manifestations of university autonomy to closer scrutiny.

3) Dimensions of university autonomy: A brief overview

“The university should have a certain autonomy (since only scholars can pass judgement on scholars as such)” Immanuel Kant in 1798.

Up until relatively recently, the modern conception of university autonomy had been directly linked to the notion of academic self-governance, that is, to the idea that academic professionals (ought to) conduct their internal affairs without external interference. The idea of a link existing between university autonomy and academic self-governance has traditionally been prominent both in Germany (e.g., in the work of Kant and Humboldt) as well as in the modern Anglo-American liberal-democratic tradition (see, e.g., the work of Parsons and Merton). However, in more recent times, there have been some marked changes in the

\(^2\) Australian universities have compensated for this decrease in revenue through internationalizing their student body, charging their international students fees that are significantly higher than those for domestic students. However, this discrepancy in terms of tuition fees may change in the near future with plans currently existing for the total deregulation of fees for domestic students.

\(^3\) Data sourced from http://www.hrk.de/themen/hochschulsystem/arbeitsfelder/hochschulfinanzierung/

\(^4\) Just as Australia, Germany has become increasingly popular as a destination for international students. However, and in marked contrast to the situation to Australia, tuition fees for international students in Germany remained on the same level as those for domestic students, and now have been phased out along with the termination of fees for domestic students.

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majority of OECD countries (including Australia and also Germany) in the ways university autonomy is both conceptually framed and practically implemented.

In more recent higher education governance theory and practice, university autonomy has become increasingly dissociated from the (now susceptible) idea of academic self-governance, with the associated professional autonomy of academics having been weakened accordingly (Henkel, 2005). In its stead, university autonomy has become increasingly associated with institutional or organisational forms of university autonomy, where certain decision-making competencies are devolved to universities. One of the practical results of this trend has been that in more recent times, universities both have gained autonomy (as organisations) and lost autonomy (as regards the individual academic professionals working in them) (see Schimank 2005, 362).

In order get a better understanding of these changes and their implications, two things need to be specified further:

1.) The new, ‘organizational’ form of autonomy granted to universities is itself multifaceted. Building upon the sophisticated taxonomy of organisational autonomy presented by Verhoest et al. (2004) and its application to universities by Enders, Boer and Weyer (2013, 11), one can analytically distinguish at least six dimensions of a university’s organisational autonomy:
   1. managerial,
   2. policy,
   3. governance,
   4. financial,
   5. legal
   6. interventional.

The first three of these can be subsumed under the notion of “autonomy as decision-making competencies” (Verhoest et al. 2004, 107). The primary focus in my following discussions will be on these first three and the last dimensions of organisational autonomy. Briefly put,
   • the managerial dimension of autonomy regards the (degree of) discretion universities have over their financial and human resource management;
   • the policy dimension indicating the extent to which universities can decide about their outputs and objectives;
   • and the governance dimension reflects the scope universities have to develop their internal decision-making processes and structures.

   • The interventional autonomy dimension refers to the degree to which universities are free from governmental “ex post reporting requirements, evaluation and audit provisions” with regard to prescribed norms and targets, and free from consequences if these target or norms have not been met (Verhoest et al., 2004, 106).

Importantly, increases in the organisational autonomy of universities are generally not uniform across the dimensions referred to above. For example, while recent NPM-inspired governance reforms have generally led to an increase in the managerial autonomy of universities, the same cannot be said about their policy autonomy. More on this in the following section.

2.) The increase in universities’ (organisational) autonomy has generally come with various strings attached, as there has been a proliferation of various formal instruments of control such as evaluation and performance measurement systems accompanying the increase in university autonomy (Christensen 2011; Enders, Boer, & Weyer 2013). In short, to various degrees in various countries, increases in the autonomy of universities as regards their decision-making competencies have been counterbalanced by a reduction in the universities’ interventional autonomy. Taken together, this constitutes the ‘paradox of university autonomy’ referred to above.

4) University autonomy changes in Australia and Germany: Institutional dimensions
With specific regard to Australian and German higher education, the major changes to the autonomy of universities can be summed up as follows:

**Australia:**
- The last decades have seen a considerable increase in the managerial autonomy of Australian universities. As has been noted in the literature, this is for the reason that direct and overt governmental regulation of university-internal organisational procedures and processes was reduced, with a range of government-controlled performance measurement and management systems instead steering universities ‘from a distance’ (Marginson 1997).
- Concurrent with the increase in managerial autonomy, there has been a marked decrease in academic autonomy (as concerns the professional autonomy of academics) and a weakening of the associated modes of governance (see Marginson & Considine 2000).
- The policy autonomy of Australian universities remains low. One reason for this is the tendency by recent Australian government to apply one-size-fits-all indicators and output targets uniformly across the system, without paying head to differences in institutional profiles and missions. There is a lack of more localized steering mechanisms that entail direct negotiations (and individualized agreements) between government and particular universities (example of the ‘failure’ of the so-called ‘mission-based compacts’).
- Related to the above, Australian universities also possess a rather low degree of interventional autonomy due to the heavy-handed and inflexible nature of its performance measurement machinery, particularly as concerns university-based research (see Whitley & Gläser 2007). There are indications that the particular form of performance measurement that is used in Australia also constrains the managerial autonomy of universities, and ultimately creates a range of inefficiencies of the institutional level, but more research needs to be undertaken to verify the extent of this.

**Germany:**
- While lagging behind developments in Australia, German universities have also seen in more recent times an increase in their managerial autonomy. This increase particularly concerns budgeting and staffing matters. As a result of this trend, German universities have strengthened their executive centre, and have adopted more managerial practices and systems in their internal governance than in previous times (Schimank 2005).
- Despite this trend, it appears as if the professional autonomy of academics at Germany has not been weakened as much as that of their Australian counterparts. Moreover, and has been noted in the literature, it appears as if in the instance of the German university, the “core characteristics of a professional organization whose basic processes are ultimately controlled by academics and not by administrators and managers have been retained” (Krücken, Blümel, & Kloke 2013, 420).
- More research has to be undertaken to determine the level of policy autonomy of universities in Germany. On a broader level, one could argue that the policy autonomy of German universities has decreased compared to former times, as the Länder ministries have increasingly taken over the task of determining broader strategic objectives of higher education (OECD 2006, 90). Compared to Australian higher education, the less-centralized, weaker form of performance-based-control existing in Germany may provide universities with some degree of scope for individually negotiating their outputs and objectives with the Länder governments.
- In Germany, the interventional autonomy of universities has decreased significantly over the last decade or two. Nevertheless, German universities arguably possess a higher degree of interventional autonomy than Australian universities, due to the aforementioned differences between the mechanisms of performance measurement employed in each system.

5) The ‘new’ autonomy of universities and its organisational ramifications: Some preliminary findings

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5 In Australia, the government almost exclusively uses pre-defined, ‘one-size-fits-all’ quantitative indicators in the measurement of institutional performances, even if measuring ‘quality’, and the use that is made of performance measurement is generally rather ‘top-down’ and consequential.
**Actual vs formal autonomy?**

Both Australia and Germany have to various degrees embraced the idea of granting their universities greater autonomy, particularly as concern managerial matters. At the same time, it appears as if the restrictive and centralized way in which performances are monitored and measured in Australia has undermined the capacity of universities to realize their autonomy. In particular, it appears as if the close interlinking of organisational autonomy and heavy-handed forms of performance-based control in Australia have promoted mimetic behaviours among Australian universities and thus conformity rather than organisational innovation (Marginson & Considine 2000. It remains to be seen whether and to what extent similar adaptation effects also have occurring among German universities.

**Organizational vs academic autonomy?**

In Australia, the increase in the organizational autonomy of universities has coincided with a marked decrease in professional (academic) modes of autonomy as well as with a weakening of traditional modes of academic self-governance. The picture emerging in Germany is less clear-cut. Here, it seems, the increase in organizational autonomy does not have come as strongly at the expense of academic modes of autonomy as has been the case in Australia. It could be the case that this discrepancy is mainly due to Germany being a governance reform latecomer – and to the strong German constitution. However, it could also be the case that developments in Germany indicate that the juxtaposition of organisational and academic forms of autonomy that dominates in much of the Anglophone literature is indeed too simplistic of a picture and needs to be rethought more thoroughly.

**Administrative bureaucratization in Australia and Germany**

One surprising finding concerns the level of “administrative bureaucratization” (Coccia 2009) in both higher education systems (i.e., the proportion of administrative staff compared to academic staff working at universities). One of the stated aims of the radical overhaul of university governance arrangements in Australia has been the creation of more efficient and lean higher education institutions. Yet whatever the effects of these governance reforms have been, they have failed to lead to the desired reduction in administrative bureaucratization, with government data showing that the proportion of non-academic staff working at Australian universities has remained consistently high at around 55% for the last twenty years or so. The contrast to the situation in German higher education – a system largely reliant on public funds, with comparatively little ‘marketization’ – is striking. Compared to its Australian counterpart, German higher education exhibits a significantly lower level of administrative bureaucratization (currently around 35%). Moreover, there is evidence that the proportion of academic staff (albeit to a significa
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ent extent fixed-term staff!) at German universities has increased significantly in more recent times (the years 1992 to 2007), from 57% up to 64% (Krücken, Blümel, & Kloke 2013, 424).

There may indeed be numerous reasons for this marked contrast in levels of administrative bureaucratization. And many of these reasons may not have at all to do directly with university governance and autonomy arrangements. However, it may indeed be the case that in the case of Australia, the comparatively high level of bureaucratic administration is at least in parts due to the extensive performance measurement requirements imposed on universities, and thus can be regarded as another manifestation of the ‘paradox of university autonomy’ mentioned earlier.
Bibliography