Trust and the Governance of Higher Education: The Introduction of Chancellor System in Hungarian Higher Education

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Introduction: Researching Trust in Higher Education

Since the 1980s, most European higher education systems are in a state of permanent reform. Governments have been launching reform initiatives one after another in funding, governance, quality assurance, study program structure, etc. One of the most important and undervalued factors which affect the success and effectiveness of reform efforts is the level of trust between different actors.

The level of trust is, on the one hand, an important input factor of reform processes because it determines how much we have confidence in the other's competence, goodwill and reliability and how much risk we are ready to take based on the promises made by the other party. At the same time, trust is also an output of reform processes, as experience gained during reforms shapes the level of trust. (Dis)trust is the result of a learning process.

The literature usually emphasizes the benefits of a high level of trust. Different theories provide different explanations. High level of trust reduces the transaction costs of supervision and thus enhance cooperation (institutional economics), increases the predictability of action leading to reduced complexity (system theory), increases the ability to adapt to the changing environment (institutional sociology), and autonomy also requires a certain level of trust (critical management). Trust has been studied extensively in many disciplines closely related to higher education. New Public Management (Bouckaert and Halligan 2008; Rommel and Christiaens 2009; van de Walle 2011; Bouckaert 2012) and business administration (Hurley 2012) are notable examples. The impact of trust on higher education policy and management has drawn less attention. Trow stated already in 1996 that in European higher education "trust is not much discussed because its role in university life is not recognized, or because it is not seen as directly responsible for

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policy and action either by the state or by the institution” (Trow 1996: 312). The situation has not changed much since then, as only a handful of new publications are available currently, mostly from non-European authors. The majority of them focuses on the governance of systems and institutions. For example, Tierney (2006a) provides a case study in a US institution to understand the role of academics in governance. In his study, he contrasts two frameworks to study trust: a cultural framework (built upon a social constructivist paradigm of organisations) and the rational choice framework (based on functionalist views). Tierney argues that “Trust and trustworthiness, then, are necessary but not sufficient criteria for effective academic governance in the twentyfirst century” (Tierney 2006a: 195), but “trust also does not naturally develop in an organization simply because a leader sees its utility. Instead, it needs to be nurtured over time” (Tierney 2006a: 194). In another work, Tierney (2006b) provides other frameworks (“grammars”) to understand trust. He argues that risk-taking is an essential part of being an academics. Universities can fulfil their social roles if their members experiment and innovate, which requires supportive organizational cultures with a high level of trust. Vidovich and Currie (2011) use Tierney’s concepts of trust to analyze changing policy on governance in Australian higher education. They discuss the dynamics of how reforms inspired by new public management, such as the more managerial governance of institutions, can create trust and distrust. While Tierney (2006a) focuses clearly on the institutional level, and Vidovich and Currie (2011) focus on the policy level, in this paper I propose to combine the two approaches by studying how top-down policies affect trust on the institutional level. The introduction of the so-called chancellor system in the Hungarian higher education and its consequences on trust and mistrust will be analysed as a case study. The main research question is whether newly appointed chancellors (responsible for the budget and all the administration in the institution) are trusted by their academic peers, and how the level of trust is influenced by institutional settings and policy measures. In the first part, a short overview is provided about the development of the governance system of Hungarian higher education. The second part describes the position of chancellor and the new dual executive governance system of Hungarian HEIs it brought about. The third part summarizes the factors that influence the decision to trust or not to trust somebody by Hurley (2012). This framework is applied in the analysis of the Hungarian case study in the fourth part. The last section includes the discussion of conclusions and lessons learned.

Changing the Governance System in Hungarian Higher Education

The European higher education has undertaken significant changes over the last 30–40 years. They include a rocky route from elite to mass higher education accompanied by the diversification of institutions and programmes, increased

competition and changing funding patterns. In post-socialist countries, all the reforms started simultaneously after the change of regime in 1989–1990, resulting in a highly unstable and dynamic environment. In Hungary, the pace of change and lack of stability is highlighted by four education laws and over 100 amendments to them in the last 30 years.

The governance of institutions also changed considerably in this period. Similar to the Czech Republic and Poland, the Hungarian higher education system is rooted in the Humboldtian tradition, but in the communist period, Hungary followed the Soviet model (Rüegg and Sadlak 2011). In the 1980s, many characteristics of the Soviet model, especially the lack of institutional autonomy were regularly questioned. Although significant changes took place already before the change of regime, these changes were only truly fulfilled after 1990 when Humboldtian governance traditions were restored. Institutional mergers forced by the government in 1998 reflected a new approach to government policy, focusing on somewhat tighter control, greater accountability and a more frequent application of indirect control mechanism (i.e., competitive student allocation system, performance contracts, boards). The national elections and a change in government in 2010 became a major turning point in higher education policy, as the new government promoted forcefully a more centralized and direct control. The position of the Hungarian higher education decreased in the autonomy scorecard in Europe on three dimensions (organizational, funding and staffing) between 2012 and 2017 (see Table 1).

One notable example was the amendment of the constitution (basic law) in 2013. In 2005, the Constitutional Court of Hungary barred the establishment of governing boards for public universities; a government initiative which would have resulted in the establishment of boards included several external members and had veto power on financial issues. This attempt was declared as unconstitutional because it breached institutional autonomy. To avoid similar opposition, at the initiative of the government, the Constitution (Fundamental Law) was changed in 2013, and now it declares that “Higher education institutions shall be autonomous in terms of the content and the methods of research and teaching; their organisation shall be regulated by an Act. The Government shall, within the framework of an Act, lay down the rules governing the management of public higher education institutions and

Table 1 Autonomy of Hungarian higher education institutions

	2010			2016		
	Value (%)	Position ^a	Category	Value	Position ^a	Category
Organizational	59	16	Medium-low (3)	56	23	Medium-low (3)
Funding	71	6	Medium-high (2)	39	28	Low (4)
Staffing	66	17	Medium-high (2)	50	22	Medium-low (3)
Academic	47	24	Medium-low (3)	58	16	Medium-low (3)

^aThe number of evaluated countries was 28 (in 2012) and 29 (in 2017)

Source Estermann et al. (2011), and <http://www.university-autonomy.eu/countries/hungary/>

shall supervise their management” (Article X paragraph 3). In 2015, a new type of board (called consistory) was established, with veto power over HEIs strategy and finance. It has five members four of which is appointed by the government. The autonomy and governance of HEIs are also influenced by the introduction of a new position, the chancellor. According to the National Higher Education Act of 2011, chancellors represent the institutions in budgetary issues. Moreover, they are responsible “for the economic, financial, controlling, accounting, employment, legal, management and IT activities of the higher education institution, the asset management of the institution, including the matters of technology, institution utilization, operation, logistics, service, procurement and public procurement, and he directs its operation in this field”. They have veto power on these issues. The chancellor is the employer of all the university personnel, except for academic staff.

The government justified the introduction of the new governance system by citing three arguments. First, the financial position of HEIs weakened significantly after 2010, which was reflected in the increase of their debt. The State Audit Office and the Government Control Office also revealed what they considered several irregularities in Hungarian HEIs (State Audit Office 2015). These facts were presented as signs of incompetent and incapable management. Second, the government considered that bad management was rooted in the inadequate governance structure of HEIs. The rector and the Senate (the main decision-making body of the institution, consisting of academic staff and students) are not competent enough, it was said, on financial and administrative issues. The rector’s accountability is limited because, theoretically, it is the Senate which makes decisions and the rector only executes them. The financial director cannot represent effectively budgetary and regulative interests because his/her position depends on the rector. Third, the government as the maintainer of public HEIs should take more responsibility in stabilizing them and enforce efficient operation and compliance, similarly to the owners of business enterprises.

There are some counterarguments, however, which the government ignored. The deteriorating financial position of institutions overlapped with the significant (cc. 25–30%) reduction of state funding of HEIs (see Berács et al. 2015). For example, the EUA public funding observatory reports that between 2010 and 2013 public funding of higher education in Hungary decreased from 190 billion HUF to 133 billion HUF.¹ Second, the government argued that institutions did not use their autonomy to promote efficient and adequate operation. It is also possible to argue, however, that institutions were not granted enough autonomy because their governance structure was set in stone in rigid and restrictive regulations, and rectors were not empowered and made accountable enough so that they can enforce financial and academic performance. Debts and non-compliant operation can be the result of soft budget constraints and the lack of managerial empowerment.

¹<http://www.eua.be/publicfundingobservatory>.

Dual Executive Leadership

The appointment of chancellors resulted in a new leadership configuration where an institution has two interdependent chief executives of equal ranks and with complementary tasks. While the rector is responsible for strategy and academic issues, the chancellor is responsible for the budget and administration.

This dual leadership configuration may appear to be counterintuitive because joint responsibility makes leaders less accountable. The mainstream management theory argues against this idea. For example, Fayol's principle of "unity of command" says that every employee should receive orders from only one superior or on behalf of the superior. There are, however, several historical examples of dual leadership configurations. In the ancient republic of Rome, there were two consuls, and ancient Sparta had two kings. Modern times have also their own examples: Alvarez and Svejnova (2005) identified several business enterprises led by leadership couples or trios. There are other examples in the public sector as well: theatres (Jarvinen et al. 2015), hospitals, museums (de Voogt and Hommes 2007; Antrobus 2011), and schools (Döös 2015) can be managed by leadership couples. So the question is not whether dual executive leadership is possible but what the enabling conditions and critical success factor are.

In the literature, two major streams of argumentation can be found, which explain this leadership configuration. First, sharing power at the top can prevent tyranny and reduce opportunistic behaviour if each leader checks and controls the other's activity. This was the reason of doubling all senior officer positions in the ancient republic of Rome (Sally 2002). Second, power-sharing makes organizations capable of facing increased complexities. This is especially important when organizations face strategic uncertainty and/or internal heterogeneity (Alvarez and Svejnova 2005; Fjellvaer 2010; O'Toole 2002).

Higher education institutions are inherently heterogeneous. As professional bureaucracies (Mintzberg 1991), core tasks are carried out by academic staff who are supported by a large number of administrative staff. The internal heterogeneity (or diversity) of Hungarian HEIs increased in the 2000s. At the beginning of the 1990s, Hungary had a highly fragmented higher education system with many specialised institutions (a heritage of the Soviet system). In 2000, several large comprehensive institutions were created through forced mergers on a wide scale which were followed by other waves of mergers and demergers in the 2010s. The efforts to strengthen the authority of senior management failed, however, which limited the possibilities to streamline institutions and standardize academic and administrative processes. Many institutions that merged into a larger university managed to preserve their own culture, traditions, and structure, usually as separate faculties in the new institution. All in all, internal heterogeneity is high in larger institutions, and it is exacerbated by the growing complexity of academic and administrative regulations. This supports the need for dual executive leadership.

Strategic uncertainty can be defined as the degree of complexity and stability of the environment which influences the definition of goals and the goals-means

Table 2 Uncertainty of environment in the light of acts on higher education in Hungary

Act on higher education	Number of months in effect until the acceptance of the new act	Number of years in effect until the acceptance of the new act	Total number of amendments	Amendments/ years in effect
1985–1993 ^a	99	8.25	12	1.5
1993–2005	149	12.42	37	3.0
2005–2011	72	6.00	42	7.0
2011	68 ^b	5.67 ^b	43	7.6

^aThis is an act of education which contains the regulation of elementary and higher education

^bNumber of months/years until August 2017

Based on Polónyi (2015)

equation (Alvarez and Svejnova 2005:51). In a complex and unstable environment when institutions depend on several stakeholders, uncertainty is high and institutions should pay attention to many different factors and interests. However, strategic uncertainty will be lower in an environment where institutions depend mostly on one stakeholder. The environment uncertainty has increased in the Hungarian higher education for the last 30 years, which is clearly reflected in the frequent change of legal regulations (See Table 2). The reinforcement of the state control after 2011 and the increasing dependence of institutions on the government make possible the reduction of strategic uncertainty by simply maintaining a good relationship with the government and other authorities. Therefore, introducing the dual executive leadership configuration is less convincing from this perspective. The creation of the position of chancellors, however, can further increase the role of government.

Decision to Trust: An Analytical Model

Miles and Watkins (2007) identified “the four pillars of effective complementarity,” that are critical success factors of dual executive leadership. These factors are (1) shared vision, (2) common incentives, (3) communication and (4) trust. These factors are strongly interrelated with each other but trust is “the most crucial for a team’s stability.” As Miles and Watkins (2007: 12) argue, “common vision, aligned incentives, and close communication enable purposeful and powerful cooperative action, but they have no value unless team members know that their counterparts can and will further the best interests of the enterprise.” This is because a high level of trust enables cooperation without using cumbersome monitoring processes. On the other hand, low level of trust results in suspicion, caution, and reluctance to cooperate. Hurley (2012) also emphasises the critical role of trust among leadership team members if the task of the team is uncertain, if interdependence among members is high, and member are specialized.

Do academic peers trust the newly appointed chancellors? How are they perceived by their academic colleagues? Hurley's "Decision to Trust Model" provides an excellent analytical framework to study the factors that influence the level of trust towards particular organizational actors (Hurley 2012).

Hurley distinguishes 3 trustor factors and 7 situational factors. Trustor factors are characteristics of those persons who make decisions whether to trust somebody else or not. These factors are risk tolerance, adjustment, and power.

- There is a strong relationship between risk-taking and trust. "By trusting, you make yourself vulnerable to loss" (Hurley 2012: 8). In other words, by trusting, the trustor risks that the trustee will use the opportunity to his/her own advantage. As a result, risk takers are more willing to trust while risk avoiders are less likely to trust.
- Well-adjusted persons have high self-esteem, a realistic view of the world, emotional stability and independence. They are more likely to trust because they have a high level of confidence. Those who are poorly adjusted see the world as a place full of threats, which makes them more suspicious. As a result, "low-adjustment individuals will tend to need more assurance to trust" (Hurley 2012: 47).
- Having the power to punish betrayal can decrease the risk stemming from trusting somebody. People in authority position are more likely to trust. Those without power, however, feel more vulnerable and, therefore, less willing to trust (Table 3).

Situational factors are those contextual factors which influence the relationship between parties. These factors are much easier to influence than trustor factors. Situational factors include the followings:

- Security refers to the level of stakes in the situation. The higher the stakes are, the more difficult to gain trust is.
- "Similarities" refer to the experience that "people tend to more easily trust those who appear similar to them" (Hurley 2012: 30).
- Alignment of interests raises the question whether the trustor has similar interests as the trustees. If similar interests are assumed, then trusting the other party is more likely.
- Benevolent concern: when the trustor thinks that the trustee is willing to put the trustor's interest above the trustee's interest, that is, the trustee is benevolent toward the trustor, trusting decision is more likely. The demonstration of benevolence can increase the level of trust. If we have the perception that the trustee always follows his/her own interest, then we are less likely to trust.
- Capability: the willingness not to break an agreement is not enough to earn trust; the trustor should believe that the trustee is able to successfully fulfil his/her part. Disbelief in the capability of trustees results in less trustful relationships.
- Predictability and integrity raise the question to what extent the trustee is reliable. "Integrity (honouring one's word or practicing what one preaches) increases predictability" (Hurley 2012: 66).

Table 3 The summary of the decision-to-trust model

Factors		Distrusting characteristic	Trusting characteristic
Trustor factors	Risk tolerance	Low	High
	Adjustment	Low	High
	Power	Low	High
Situational factors	Situational security	Low	High
	Similarities	Few	Many
	Interests	Conflicting	Aligned
	Benevolent concern	Not demonstrated	Demonstrated
	Capability	Low	High
	Predictability/integrity	Low	High
	Communication	Poor	Good

Source Hurley (2012)

- Communication is critical in creating trusting relationships. Hurley thinks that all situational factors (except for situational security) are underpinned by communication because these factors can work through communication. The frequency and openness of communication can counterbalance the lack of other factors while poor communication often leads to “spirals of distrust,” where perceived betrayal further impoverish communication.

While risk tolerance and adjustment are personal traits, power, in my opinion, is closer to situational factors because having the power to retaliate depends on the situation. It is possible, for example, to empower the trustor and provide him/her means to retaliate to gain his/her trust. Therefore, trust can be influenced by manipulating power.

In Chancellors We Trust?

In this section, four factors—power, similarities, capabilities, and interests—will be analysed to answer the research question, which is whether chancellors are trusted by academic leaders or not. These factors are selected because of two reasons. First, the general institutional setting (e.g., regulations, selection process) has the largest impact on these factors while the other trustor and situational factors are person-specific or institution-specific factors and therefore results are difficult to generalize to the whole higher education sector. Second, studying these factors is supported by the analysis of chancellors’ CVs and data from two anonymous surveys which were conducted in 2015 and 2016 among academic leaders of Hungarian public institutions. Rectors, vice-rectors, deans and vice-deans were asked about their expectations and opinions on chancellors and the chancellor

Table 4 Response rates of two surveys conducted in 2015 and 2016

	2015			2016		
	Number of respondents	Size of population	Response rate (%)	Number of respondents	Size of population	Response rate (%)
Rector, vice rector	14	86	16.3	19	94	20.2
Dean, vice dean	66	398	16.6	97	396	24.5
Other leader in faculty or central administration	17	41	41.5	–	–	–
Other	13	–	–	10	31	32.3
Not provided	29	–	–	8	–	–
Total	139	525	26.5	134	521	25.7

system. These surveys were not created specifically to test hypotheses regarding trust toward chancellors. Nevertheless, they can provide useful data to test, illustrate or generate hypotheses. The response rate was around 25% in both years (see Table 4).

The results can be considered representative for the type of institutions and the position of respondents. On the other hand, some institutions are overrepresented among respondents, while other (smaller) institutions have no respondents at all. As the experience at the institutional level has a significant impact on the opinion about chancellors, the disproportionate distribution of respondents among institutions might distort results. An additional important caveat is the fact that the completion of questionnaires was voluntary, which could also distort the representativeness of the sample because the questionnaire was more likely to be filled in by those who are emotionally more affected by the chancellor system. Based on the respondents' satisfaction with the chancellor and their agreement with the chancellor system, three major groups of respondents could be identified (Table 5).² The "absolute supporters" are satisfied with the chancellor and agree with the major characteristics of the chancellor system. The "opposers" are not satisfied with the chancellor and do not agree with the chancellor system. The third group consists of respondents who are satisfied with their chancellors but do not support the system itself. The proportion of the three major groups in the 2016 surveys can be seen in the following table.

²The degree of satisfaction with the chancellor was measured by asking "How satisfied are you with the work of the chancellor in the institution so far?" The attitude towards the chancellor system was captured by aggregating the answers to four questions. Respondents were asked to indicate how much they agree with the following characteristics: (1) institutions are not involved in the selection of chancellors; (2) the rector is not the employer of the chancellor and is not allowed to give him/her instructions; (3) administrative units have to be directed by the chancellor and (4) the employer of all administrative staff is the chancellor.

Table 5 Satisfaction with the chancellor and agreement with the chancellor system in 2016 (N = 133)

		Satisfaction with the activity of the chancellor			
		Supporting (satisfied) (%)	Uncertain/ no answer (%)	Opposing (not satisfied) (%)	Total (%)
Support for the chancellor system	Supporting	12.8	0.0	1.5	14.3
	Uncertain/ no answer	6.8	0.0	3.0	9.8
	Opposing	27.8	0.8	47.4	75.9
	Total	47.4	0.8	51.9	100

Power

Power refers to the trustor’s ability to retaliate if the trustee displays an opportunistic behaviour. Most higher education institutions are bottom-heavy organizations (Clark 1983). Academics require a high level of autonomy, and they wish to control many aspects of their own work. The self-governing structure of Hungarian HEIs provided the opportunity for academics to enforce their interests collectively. One of the most important characteristics of the chancellor’s position is its independence from academics. Chancellors are selected, appointed and supervised by the government. While chancellors control the administration, they also have veto power on all issues (including academic issues) which affect the budget. The result is an asymmetric relationship with the academic sphere. Although chancellors are required to cooperate with the rector by law and cooperation is necessary to make institutions successful, neither the rector nor the Senate has the power to force the hand of the chancellors directly. On the one hand, this makes chancellors able to represent budgetary and administrative interests effectively. On the other hand, academics have only indirect possibilities to influence chancellors if they perceive that the chancellor acts against the interest of academics. For example, one of the recurring comments in the surveys is that some chancellors use their position for rent-seeking or to provide positions for their favoured ones, that is, they follow opportunistic behaviours. In that case, institutions can turn only to the government, who appoints the chancellors, for conflict resolution. This is not a very powerful way of retaliation for academics and the Senate.

Similarities

Referring to the social identity theory, Hurley argues that “people with whom we can “identify” or whom we see as similar to us in some fashion have an advantage in gaining our trust” (Hurley 2012: 56). This notion is based on the assumption that involved parties share similar values, visions, and cognitive frames.

Table 6 The effect of selection from within institutions

		Previous attachment to the institution		
		Yes (the chancellor was the employee of the institution before his/her appointment) (N = 48) (%)	Did not work previously in the institution (N = 78) (%)	Total (N = 126) (%)
Satisfaction with the chancellor's activity	Fully satisfied	25	13	17.5
	Rather satisfied	40	26	31.0
	Rather not satisfied	27	23	24.6
	Not satisfied at all	8	38	27.0
	Total	100	100	100.0

In dual leadership situations having a shared vision and shared values are especially important because in this leadership configuration leaders have to act independently but in harmony with other leaders. Harmonizing goals, values and visions which govern leaders is a time-consuming activity. It is possible to develop mutual understanding while being in a position of power, but it is a quite risky strategy. During the selection of chancellors (and rectors), the quality and quantity of shared experience and similar socialization should be considered to increase the chance of developing a trustful relationship between the two leaders. In Hungary, HEIs do not have the right to participate in the selection process formally. Chancellors were selected by the Ministry of Human Capacities, and they are appointed by the Prime Minister.

The possibility of having a shared vision is also influenced by the demonstrated knowledge about higher education sector. If chancellors know the sector well, they might have a much clear conception of what makes an institution excellent. The analysis of the C.V.s of chancellors appointed in 2014 and early 2015 showed that only 12 chancellors out of 29 had previous experience with the sector, and 14 chancellors had not (there was no information available in the case of 3 chancellors). Not knowing the culture of higher education weakens the trust towards them, and it might affect the perception of their capability as well.

In light of these arguments, it is not surprising that chancellors who worked in the institution before their appointment are perceived more trustworthy, and academic leaders are more satisfied with their performance. In Table (6), it can be seen that academic leaders working with chancellors appointed from within higher education are more satisfied (65%) than those leaders who work with chancellors appointed from outside the sector (39%).

Alignment of Interests

Alignment of interests focuses on the question whether interests of the trustor and the trustee are conflicting or not. The magnitude of the conflict of interests and the chancellor's demonstrated action against his/her putative self-interest (benevolence) can influence the level of trust towards him/her. Chancellors are in an "in-between" position because they are appointed by the government to represent governmental interests, on one hand, but they also have to promote institutional interests to have a successful organization, on the other. Therefore, they have to balance different interests and mediate between the government and the institution. They have to demonstrate loyalty towards two parties. Incentive structures are key in this situation. Chancellors have a strong relationship with the ministry. They had to report to the ministry every month (rectors were not involved), and the ministry evaluated their performance yearly. The evaluation criteria were not known which provided fertile ground for gossips about the hidden agenda of chancellors. In addition, there were complaints that rectors felt neglected. 2017 was the first year when the rector and the chancellor had to submit a yearly report together but institutions are still not involved in the selection of chancellors.

The perception of chancellors can also be influenced by their previous commitments. The analysis of CV's showed that 9 out of 29 chancellors appointed until early 2015 had strong links to the governing party: they were either members of the parliament, a local government body, or fulfilled senior leadership positions in (local) governments before their appointment.

The surveys also produced interesting results regarding how the chancellors' role is perceived. Respondents evaluated the desirability and the realization of different behaviours in a 6-point-scale, where 1 means that the given behaviour is not typical at all, and 6 means that it is very typical. Behaviours could be grouped into four broad categories (they were shown to respondents in a mixed order):

- Institutional roles, where the chancellor represents the interest of the institution, such as "presenting unique characteristics of the HEI to the maintainer" or "helping the institution in the public administration."
- Maintainer roles, where the chancellor represents the interest of the ministry such as "informing the maintainer about on-going internal affairs" or "executing maintainer's decision."
- Expert roles where chancellors represent the interest of the profession such as "strengthening entrepreneurial approach" or "ensures compliance with regulations."
- Self-serving roles where chancellors represent their own interest, e.g., to enlarge their power base.

While the desirability of roles does not differ significantly among respondent groups, the realization of roles is perceived differently (Fig. 1).

Fig. 1 The perception of the realization of behaviours/roles

Those respondents who are satisfied with their chancellor and support the chancellor system in general (absolute supporters) see their chancellor to fulfil all roles simultaneously, that is, chancellors are able to balance institutional, ministerial and professional expectations successfully. Those who are not satisfied with the chancellor and do not support the chancellor system (“oppose everything”) see

chancellors differently: while they think that chancellors serve the interest of the ministry similar to the absolute supporters, their perception of serving the interest of the institution differs considerably. In other words, this group of respondents sees chancellors more as an agent of the ministry (government) and less as a leader representing and promoting the interest of the institution. This pattern is similar to those groups of respondents who are satisfied with their chancellor but do not support the chancellor system.

Capabilities

Capabilities describe to what extent chancellors are perceived as being able to perform expected tasks successfully. In the survey, respondents were asked to evaluate several competencies of their chancellors on a 6-point scale (1 means they are not competent at all, while 6 means they are fully competent.) (Fig. 2).

Respondents satisfied with the chancellor see them more competent in almost every aspect than those who are not satisfied with them. The evaluation of ‘political network’ is remarkable. Satisfied respondents think that chancellors are less competent in building/having political networks than in other competencies. That suggests that chancellors act as professionals and not as political actors. Those who are less satisfied think that chancellors perform somewhat better in building political networks than in most other competencies.

Fig. 2 Perception of chancellors’ competence by different groups of respondents

Summary and Discussions

Survey results suggest that, in general, there is a strong mistrust towards chancellors. Most respondents are quite critical of the chancellor system, and half of the respondents are not satisfied with the chancellor. They usually perceive chancellors as less competent administrators who act as political agents of the government. This picture is true in the majority of institutions. In most institutions, results are mixed or show a high level of dissatisfaction with the chancellors. In some institutions, however, respondents are more satisfied with their chancellor (who usually comes from within), even if they are still quite critical of the chancellor system itself.

Although the decision-to-trust-model would explain this mistrust by the unfavourable trustor and situational factors, the direction of casualty between the level of trust and situational factors is not clear. Do academics mistrust chancellors because they perceive them as incompetent (as the decision-to-trust-model suggests)? Alternatively, do academics see them incompetent because they mistrust them? The problem is that it is not only the trustor or the trustee who controls the situation but this is also shaped by external actors whose (previous) activities can create hopes, fears, and expectations which affect how the trustee is perceived. For example, it is interesting to see how strong the relationship is between the satisfaction with the chancellor/chancellor system and the perception of the trustfulness of government officials (Table 7).

Even a competent, benevolent and reliable chancellor will face mistrust at the beginning of his/her career if academic leaders had become suspicious previously. Chancellors have to overcome this legitimacy deficit by working consciously on improving situational factors. They should demonstrate predictability, integrity, benevolence, and competence by, for example, having a very transparent decision-making process in which key academic partners are involved, their opinion is

Table 7 The relationship between trust in government and satisfaction with the chancellor/chancellor system

		To what extent do you trust the promises and statements of the leaders of the Ministry of Human Capacities?				
		No or rather no (%)	Undecided (%)	Yes or rather yes (%)	No answer (%)	Total (%)
Satisfaction with the chancellor and the chancellor system	Absolute support	24	6	65	6	100
	Opposing everything	86	5	10		100
	Supporting the chancellor, opposing the system	43	14	41	3	100
	Total	60	7	31	2	100

considered. It is not just the result of the decision what matters but also the fairness and transparency of the process. Developing a personal connection with the rector (and with other academic leaders) helps the development of shared visions. For example, sharing rooms and/or having a shared secretary with the rector is a possible way to increase the richness and frequency of informal conversations.

There are other possibilities to increase trust toward chancellors. By involving institutions in the selection of chancellors, HEIs have more means to balance asymmetric power relationships and to retaliate opportunistic behaviour. It also helps to select candidates who share values, vision with the rector (similarity). This creates better conditions for a good working relationship between the two executives which is crucial for the performance of institutions. In Germany, for example, where the chancellor position also exists, although it is differently defined, all major stakeholders are involved in the selection of chancellors (Table 8).

An alternative (but less favourable) strategy to involvement is to make the selection process more transparent to institutions. In that case, creating low-risk mechanisms for institutions to voice their concerns regarding the activity of the chancellor (e.g., regular meeting with rectors, etc.) is also important to counterbalance asymmetrical power relations. To earn academics' trust, chancellors should be positioned as autonomous experts who are part of the institutional management team rather than government controlled agents. This is what happened in Germany. As Blümel observed: "In contrast to the formerly widespread model of monocratic leadership, in which the formal status of the Kanzler was characterized by a somewhat ambivalent position working aside the rector, the leadership-team model now compulsory prescribes the administrative head as member of the university-leadership team" (Blümel 2016: 11). As a result, the chancellor "formerly mediating between the university and the state (...) was subsequently transformed into a functional member within an expanded university leadership." (Blümel 2016: 18) All processes which focus exclusively on chancellors increase suspicion towards them because it put emphasis on persons rather than teams. The lesson is that even if an issue clearly belongs to the competence of the chancellor, the institution should be addressed and not the chancellor. The chancellors should not report to the ministry alone but together with the rector (or with the consent of the rector) as they are both responsible for the performance of the institution. If chancellors are evaluated alone (apart from the rector), the evaluation criteria should be transparent to all parties.

Trust also depends on perceived competencies and the knowledge of the higher education industry. In Hungary, there are in-house trainings exclusively for chancellors, but training academic leaders and chancellors together would be a great opportunity to help the development of shared visions and values and to strengthen communication between them.

Finally, the chancellor system was introduced in Hungary when institutions were under huge financial pressures decreasing their situational security. That factor can be improved by more generous funding of institutions, which in turn would reduce resource allocation conflicts.

Table 8 Stakeholders' involvement in the selection of chancellors in Germany and in Hungary

State	Recommend	Elect, Confirm, Consent	Appoint	Employer
Baden-Württemberg	Special committee narrows a list with the consent of the minister Rector recommends among them	Board + Senate choose together from the narrowed list	Not known	Minister (can delegate the right)
Bavaria	Board	–	Rector (State confirms)	Rector
Berlin	Special committee (Curatorium, dominated by the State)	–	State	State
Brandenburg	–	–	Rector	Rector
Bremen, Hesse	Rector	Senate	Rector	Rector
Hamburg	Rector	Board	State	State
Lower Saxony	Rector (Board express opinion)	Senate	State	State
Mecklenburg-Vorpommern	Rector	Committee (Konzil) consisting of university citizens	State	State
North Rhine-Westphalia	–	The united committee of the Senate and the Board with the consent of the rector	State	State
Rhineland-Palatinate	Board	–	Rector (State confirms)	Minister (can delegate the right)
Saarland	Rector	Senate	State	State
Saxony	Rector (Senate express opinion)	Board consent is required	State	State
Saxony-Anhalt	Senate	–	State	Minister (can delegate to the rector)
Schleswig-Holstein	Rector (at least two persons)	Senate	State	State
Thuringia	Rector	Senate (with the consent of the minister)	Board	Rector
Hungary	–	State	State (prime minister)	Minister

Source based on the Higher Education Laws of German states as of 2015. The compilation is made by Péter Nagy

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