SPECIAL THEME

LEVERAGE AND CHANGE

Editorial

INTRODUCTION

In an organization as complex as the university – or for that matter any establishment of higher education – two issues never cease to be topical. The first of these is that eternal imperative of change which has become the universal credo of the institution and of the times. Whether change is defined externally to the higher education system and accepted internally, or, on the contrary – and certainly more rarely – determined internally by academia and subsequently accepted by governments, the fact remains that failure to demonstrate change is held to be very close to dereliction of duty, a clear sign of non-responsiveness to the twin gods of Society and the Economy. There is, then, no sin more deadly, it would seem, than not moving with the times – though such an ability could just as well be interpreted as another form of institutional conservatism.

The second and no less controversial issue are the methods that serve as leverage to ensure that change – whether at system or at institutional level – is injected into higher education. Though not often recognized in such terms, the concept of leverage – that is the range of instruments which administration has, officially and unofficially, at its disposal to transmit national or institutional priorities down to the operational level – has been at the base of much of policy discussion throughout the last decade and has never been a more reiterated *Leitmotif* than in current debate. Because of its centrality, we should take a little time in analysing what precisely is involved in leverage as opposed to control on the one hand and guidance on the other.

CHARACTERISTICS OF SYSTEMS BUILT AROUND THE 'GUIDANCE' PRINCIPLE

Guidance, leverage and control can be presented as degrees of oversight exercised by the administrative system over higher education. The way they operate form part of what some writers have termed 'policy styles'¹. They are also expressions of a certain set of values about what the relationship between administration and higher education ought to be. And last though by no means least, they incorporate a degree of institutional distance between central administration and individual establishment. If we were to deal in ideal types, systems of higher education built around the principle of 'Guidance' rest explicitly on the notion of government keeping its distance. They are also systems which subscribe to the belief that the running of the university is best left to those responsible for its role of expanding, transmitting and preserving knowledge and that the part of government is to facilitate these tasks. There are, certainly channels between university and administration through which both parties make their requirements known. But it tends to assume the form of an internal dialogue, based on implicit norms and as such negotiated between key personages on both sides. Typical of such systems, which in the past have tended to be aligned on the Anglo-American model of university, is often the presence of a species of intermediary body² the task of which is to aggregate up the requirements of individual universities and present them to government. The basic presumption on which 'Guided' systems rests is fundamentally optimistic. It does not rely wholly on formal procedures so much as on the passing on of signals understood by those in the inner circle through whose intermediary accommodation is reached. It is, in short, a consensual and negotiatory system in which the mutual recognition of the interests by each of the parties to the dialogue forms the essential characteristic of what is often presented as a species of 'partnership'. Whatever the reality of the hierarchical relationship between university and government, the fiction is preserved that both are on footing of equality and that the State will not directly seek to impose its priorities by fiat or legal enactment. The touchstone to change brought about by policy acting in a 'Guidance' mode is the belief that higher education has sufficient capacity on its own to bring about the changes which are patently in the interests of both parties. A further presumption behind 'guidance' is that academically key individuals are able effectively to negotiate

¹ For example, Rune, R. T. Premfors (1980) *The Politics of Higher Education in a Comparative Prospective: France, Sweden, United Kingdom*, Stockholm. *Stockholm Studies in Politics* No. 15.

² This issue will be dealt with in greater detail in a forthcoming issue of *Higher Education Policy*.

change inside the academic collegium. Equally important is the conviction that the inner procedures of the university world, the distribution of coordination and authority, whether rational in their form or medieval in their nomenclature nevertheless themselves provide sufficient leverage over the institution for change to take place.

CHARACTERISTICS OF 'CONTROLLED' SYSTEMS

Contrast this with the ideal type which stands at the other end of this continuum – the controlled system. The usual justification for close oversight is that higher education is a public service, that it owes direct responsibility to government less in teaching and learning – though oversight may formally also be exercised by validation of courses by the central Ministry – than in the formal procedures which surround such aspects as appointment, promotion, access and sometimes certification. Whether the university is governed by public law, or administrative law, the negotiation of change has formally to be accompanied by the appropriate revision of previous legislation. And whilst detailed negotiations are thrashed out far from the madding crowd of the legislative process, the end product if it involves systems level change, must inevitably emerge onto that forum. In controlled systems, the university is not seen as institutionally independent of the state. It is rather that aspect of the Common Weal engaged in the transmission of knowledge and its advancement. The basic presumption behind controlled systems is basically a pessimistic one. It does not deny that universities are able to develop and evolve on their own. It doubts, however, whether each will be willing to evolve along a path similar to its fellow establishments. And, since one of the prime justifications for such control is that it upholds a basic similarity of provision and function across different regions and different establishments within the nation, the concept of change is not one left to individual universities since in the logic of controlled systems to do so is to undermine their very validity.

LEVERAGE: ORIGINS AND BACKGROUND OF A CONCEPT

Leverage, as we have suggested, is a species of half-way house, the result on the one hand of the wish to lighten the burden of control, to diminish the weight of detailed oversight and on the other, to have rather more purchase over the way in which priorities are operationalized and made part of higher education's activities. Of all the instruments of leverage that lie at the beck and call of governments, clearly the most powerful is money. Indeed, to the slightly cynical viewer of the higher education scene it remains not entirely inaccurate to say that more reform of a qualitative and radical nature has been brought into the university world as a result of cutting budgets than ever there was when budgets were expanded. Or such is the conclusion one might draw from the experience of the past decade of the major industrial countries. The notion, largely the result of the Sixties largesse when governments invested in human capital, that ability to reform was largely dependent on a further injection of resources, has been shown, at least in the short term, to be unduly pessimistic. What one also realizes is that the consequences of exercising leverage either by reducing institutional budgets or by tying them to performance outcomes, work their way deeply into the institutional fabric of higher education. Yet, though money is often at the root of much of what passes for major changes, it is by no means the sole lever.

Another and equally interesting one since it has been tried with varying success, is the segmentation of higher education into a university sector where guidance reigns and a closely controlled non university sector. This policy as Clancy's article shows in the Irish context, involves what strategists or in default, planners, would term 'an indirect approach'. The indirect approach consists in putting in place those reforms government wishes to see develop, but in the non university sector first. In the past, the main changes have tended to turn around different duration of study – shorter than the traditional university – or the orientation of course contents towards more applied or practical fields. The assumption is, of course, that students or their parents will attach more importance to what passes for 'job oriented' studies. That they will opt for the shorter cycle and, since the absence of students in the beginning of wisdom, will oblige the university to follow suit. The use of different combinations of control and guidance between different sectors of higher education creates a species of pseudo competition in which central government acts in one sector with a view to obtaining compliance from the other, but without recourse to direct intervention.

MOVES TOWARDS LEVERAGE

For segmentation to begin to have effect, takes considerable time, a decade at least, if not more. In retrospect, it is possible to interpret the rise of short cycle higher education as the first step in increasing leverage of government over change in higher education. Yet, the process of increasing leverage is itself part of a trend, visible as much in Europe as in Latin America, by which governments seek not simply to determine the nature of change – arguably it is in part their responsibility – but also the pace of change. Thus, the rhythm of reform is itself often determined by the political agenda, by the duration of the legislature rather than by the logic of its own inner development. Now it is at this point that the question of leverage over change becomes central. It becomes central for a number of reasons, the first of which is that the very complexity of higher education endows it with a species of institutional inertia. To overcome such inertia by action decreed from the centre requires not merely immense political will. It also requires

sustained political will. It is at this point that the sheer organizational weight of controlled systems of higher education militates against rapid adaptation.

Thus it follows that in reinforcing leverage over change, one of the most significant aspects is *not*, paradoxically, the extension of the range of policy instruments which government has at its disposal. Nor, for that matter is the increasing sophistication in the various systems of information gathering which tell administrators and that mythical beast the policy-maker what is happening on the ground or how individual establishments are performing on the various criteria or indicators that the drive to evaluation has thrown up. These are, *per se*, not greatly significant. The licentious proliferation of measurements supposedly to indicate performance is less important in itself since it simply expands the variety of techniques at the disposal of government and sometimes adds to their real sensitivity. What is important, however, are the effects that the move towards 'leverage' has at the establishment level. There is, after all, little point in devising new formulae for financial allocation, in conjuring up new items to tickle the mind – and sometimes delight the heart – of the recycled university accountant, if the individual establishment is unable to determine its own position or to devise with increased expedition its own coping strategy to meet with whatever situation it finds itself in.

The essential characteristic of a system based on 'leverage' is first, that individual institutions ought to have a highly developed capacity both for self evaluation and for strategic planning. Whether this constitutes what van Vught terms 'cybernetic planning', it most certainly requires a solid capacity to undertake institutional research, as Stern's contribution notes. In highly centralized systems of higher education, those which we have alluded to earlier as systems operating under a 'control' mode, the transition towards 'leverage' involves reinforcing the ability of individual establishments to set up their own institutional strategy in response to national priorities. What are the advantages of this? From the standpoint of central administration, with such a capacity in place, the lag between the statement of national priorities and the operational response of individual institutes should, in theory at least, be reduced. There are two elements which suggest this may be the case: first, so long as overall goals are set, it is up to individual establishments in the light of what they know and conceive to be, their specific strengths, points of excellence and resources – human or otherwise, to work out the implications and in detail; second, the presumption is no longer made that all establishments must respond in exactly the same way to national objectives. A system based on the principle of 'leverage' – some might prefer the rather more ideologically charged term 'the market' – does not presume continued homogeneity of response at institutional level.

DEVOLUTION OF RISK

A basic characteristic of 'leverage' systems is the explicit introduction of incentives or penalties as part of the in-built process of planning at the institutional level. Crudely put, in systems of higher education working under the control mode of change, risk is assumed at the political level, by the Minister, by his staff or by the Council of Ministers acting under collective responsibility. In systems working under the 'guidance' mode, if risk there is, one of the points of negotiation between the partners is precisely to minimize it for both. In 'leverage' systems of change, however, risk is placed firmly at the level of the individual institution and, as Wasser's article makes equally plain, on the desk of the leadership, whether it be collective or individual. In effect, regardless of how it is introduced – whether as sanction or as chastisement, as reward for exceeding the nation's average, or as punishment for failure to do the same on whatever item is used to assess institutional performance – it is the principle of 'risk' which underpins the way governments 'lever' change. Irrespective of which previous model has been involved in overcoming the moment of inertia in reforming systems of higher education – whether by 'guidance' or by 'control' – transition to the 'leverage' model turns around the explicit devolution of risk down to the individual establishment and even, in certain sub variants – the British notion of 'cost centres' is a particularly good illustration – down to the base units.

But like theories of deterrence, for the leverage of 'risk' to work in an optimal manner requires that both 'sides' – representatives of the public and central administration on the one hand and individual institutions of higher education on the other – should share the same basic information about objectives, intentions, and general condition of higher education. To be sure, such sharing does not necessarily imply agreement on the values or the vision which result from the use of some indicators or the casting aside of others. Nevertheless, if risks are to be outweighed by benefits – which is the essence of any planning, tactical or strategic – institutions must know what will be the consequences of the strategy they develop. Leveraging change may be a policy style. But it also implies a very different relationship between administration and higher education. Above all, it requires a very different attitude on the part of the former towards the type of information which under previous conditions, it employed in its own decision-making at systems level. In fine, one prior condition for effective 'leveraging' is complete transparency in the availability to all of that information which is used to mould the development of higher education, both in the short and, no less, in the long term.

IMPLICATIONS

'Secretive' styles of policy-making that some have identified with Britain and France, which can certainly not

exercise exclusive rights to this trait, can only be seen as counter-productive precisely because such secrecy seeks to reserve to one part of the higher education system – the national policy-making element – that which national policy-makers regard as vital for themselves. Logically, however, such information cannot be any the less vital for the individual establishment which will be called to implement the policy resulting from such *prikazim*. From this emerges the axiom that in ‘leveraging’ systems, just as reform is levered by risk, so risk is dependent on that quality which in another system, founded upon a massive degree of central control, goes under the name of *glasnost*.

The repercussions which follow on from devolving risk onto individual institutions has, not unexpectedly, a major impact on power and authority in academia. They place a premium not simply on the capacity to devise individual responses to pressures for change. They also place particular advantage upon those structures of administration which set forth clearly lines of responsibility, accountability and leadership. The structures of leadership in academia are many. But the feature which emerges from Wasser’s interviews with university Rectors and Presidents is one which involves not merely an increase in the areas of responsibility carried out by the Chief Campus Officer. It also involves a substantial transformation of his or her role, from being the Chief representative of academia and spokesman of the institution to becoming a major taker of initiatives on behalf of his establishment and acting as guardian of the establishment’s strategic planning. He who, in the inimitable jargon of today’s managerialism, is caste as Chief Campus Executive, is tomorrow very likely to be obliged to assume the unenviable lot of Chief Campus risk-taker. If this turns out to be so, then one may well question how long such over-burdened individuals will be prepared to work with decision-making structures which, if long tested by history, have yet to show they *can* face up to the white heat of the managerial revolution.

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