Innovation: The Roles of 'Buffer Organizations'

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Abstract: Faced with the challenges of deregulation, technology and internationalization, higher education institutions have no choice but to become more innovative. This paper considers the implications of this and looks at the possible roles for buffer organizations, both positive and negative.

INNOVATION

The relationship between the 'academic' and the 'management' aspects of an educational organization will be faced with increasing tension because of the pressures of technology, de-regulation, internationalism, asset management and new markets¹.

We have to question whether we are innovative enough to handle these issues, and to be successful. Perhaps of greater importance, do we have the organizational style to foster and nurture innovation? The generally accepted characteristics of an innovative organization can be gleaned from the works of Porter, Peters, Drucker and many others. The list can be endless, but will certainly include the following².

- No initial committees and reviews.
- Failure is tolerated and learnt from.
- Open discussion of failure.
- Set up small teams with short time scales.
- Low funding, high deadlines.
- Move fast to real tests with real clients.
- Overlaps watched but not killed.
- Set up rewards for innovation.

How little seems to correspond with the characteristics of a traditional educational institution! Thus the question is: if innovation is required, and our institutions are ill equipped for it, what can be done? This paper looks at the role of funding and in particular the relevance of buffer organizations.

INTERNAL BUFFERS

It is possible for a single university or polytechnic to become highly innovative and some of them certainly will be. In the short term it is unlikely that this will occur throughout the whole organization; rather there will be 'islands of innovation'.

Where it is recognized that the whole organization will not change fast enough, the 'skunk works' approach is implemented.³ Here the organization tolerates a development outside the structure, knowing that within the structure nothing can easily happen. A small group is set up with all the above characteristics to 'get on with the job'. This was done by IBM to develop their PC, and one could say that the early development of Los Alamos was in the same vein. Later, the innovation is drawn into the organization and institutionalized.

The recent proliferation of deans, heads, and professors of continuing education, and the formation of off-campus enterprise companies are similar. The danger is that the innovation is kept at arm's length and never becomes absorbed into the organization.

SUPPORTED BUFFERS

Where a number of institutions create a consortium and allow it to be innovative we have the 'bottom-up buffer' organization. This has much more visibility than the skunk works and needs the institution to agree on its commitment. The formation of the Open Polytechnic is a good example of this. This United Kingdom body is an agent for the creation and procurement of packaged teaching materials for a group of over 20 polytechnics. Cynically, one could say that the innovation has been placed away from the organization and has delayed the day when it has to react to the consequences. As it is only a partner in the endeavour it can even reject them.

EXTERNAL BUFFERS

Bodies such as the Universities Funding Council (UFC) in the United Kingdom are 'top-down buffer' organizations. In the traditional funding process they have been able to innovate by selective funding, by earmarking funds and by edict. It can be argued that through them the national, as opposed to the local, interest is exercised. These bodies have immense power to create innovation unless the rules of the funding allocation specifically do not permit them to operate freely. However, their hands are tied as it is very difficult for them to be sufficiently selective or discriminating. It is hard to encourage the creation of a highly innovative institution while leaving another alone.

The top-down buffer also can spin off other subordinate buffer organizations. In 1967 this was done in the United Kingdom with the formation of the Computer Board, with its own funding capability. It was created as a response to the fact that few universities were prepared to innovate by investing in computer centres within their University Grants Committee (UGC) allocations. The Department of Education and Science (DES) commissioned a report and created the Board. Only 24 years later, in 1991, has it been folded back.

Finally there is the 'non-affiliated buffer'. Educational institutions and their funding agencies etc. are not the only stake-holders in the education business. Companies rely on their products; other government departments have an interest, etc. Such organizations will establish funds from outside and can effectively pressurise the traditional organizations to change. EuroPACE⁴ is a good example of a consortium of companies establishing a fund to create more accessible and lower cost postgraduate education in fast moving technical topics.

Special funds are also set up to create initiatives. They are not entirely buffers, except that they have funds which are not in the entire control of the educational institutions. This could be said to be true for all funds from research councils, COMETT, DELTA etc.

On the assumption that our institutions must become more innovative, it would be wise to look at an appropriate focus for their internal innovation, knowing that other innovations will be thrust upon them. It seems likely that until families or federations of institutions emerge with shared autonomy, the innovations of internationalism, the sharing of expensive facilities and the extensive use of technology will almost certainly come from the top-down buffer and the non-affiliated buffer approach.

However, particularly with increasing deregulation – where productivity, development of new markets, and asset management are concerned – these innovations will have to come from within. The application of technology lies in both places: some still needs massive investment, but other aspects are now commonplace. The ultimate surely must be to have the whole organization recognizing the value of innovation, and succeeding as a consequence.

NOTES

1. Spoonley, Neil (1991) *The Federated Institution*, Maastricht: ICHE, September.
2. Peters, T. *et al* (1985) *A Passion for Excellence*, Collins.
3. For a description of 'skunk works', see T. Peters *et al* (1982) *In Search of Excellence*, Harper & Row, pp. 211-212.
4. Spoonley, Neil (1991) Self-service Education, *IEE Review*, June.