

A HANDBOOK ON REDESIGNING
POSTSECONDARY INSTITUTIONS

Planning **and** Management **for a Changing** Environment

Marvin W. Peterson, David D. Dill,
Lisa A. Mets, and Associates



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Foreword by Burton R. Clark



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PLANNING AND MANAGEMENT FOR A CHANGING ENVIRONMENT

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FOREWORD

Throughout the world beginning in the mid-1980s, universities initiated numerous experiments in how best to transform their character. From Australia and Hong Kong to Finland and the Czech Republic, with the United States included, universities have been and are today actively searching for new combinations of capabilities that will enable them to survive and prosper.

Clark Kerr took sharp note in the early 1990s of how much the international arena of higher education has heated up, stressing that “for the first time, a really international world of learning, highly competitive, is emerging” (1993, p. 33). Kerr emphasized that if higher education institutions want to get into this emerging international orbit, they have to do so on merit. Politics will not do the job. Rather, nations “have to give a good deal of autonomy to institutions for them to be dynamic and to move fast in international competition” (p. 33). Institutions have to develop entrepreneurial leadership that makes active use of their autonomy.

Without doubt, the tools of institutional self-development now move to center stage in higher education. How do we, in our own institutions, energize the many departments, research centers, and interdisciplinary programs—the operational sites of research, teaching, and learning—to the point where they continuously explore new options and selectively carry forward and enhance those things they have traditionally done well? Can the institution’s basic units develop effective organizational capacities to relate changing internal strengths to rapidly altering constraints and opportunities in their immediate environments, as, for

example, in the case of the medical school, the chemistry department, and even the many departments of the humanities and social sciences?

If operational departments located in the university's academic heartland can be largely strengthened by means of stimulated self-development, how is broader institutional development to be handled? One university after another finds that a strengthened, steering core is needed, one central body or several interlocked central groups of administrators and academic staff who can legitimately and effectively assert the interests of the university as a whole (Clark, 1996a). As departments learn how to flexibly plan their way, and intermediate faculties and schools do so in their individual realms, responsible central bodies find medium- and long-term orientations increasingly necessary. Central groups become more planning-oriented: they review the capabilities of the university as a whole, size up changing environmental opportunities, and make best bets—selective investments of resources—for getting from here to there, to a desirable and sustainable institutional character for the early decades of the twenty-first century.

There will be no surcease in the churning turmoil increasingly experienced by universities in the conditions of their existence. Student access steadily becomes more complicated: not only more students but also different kinds of students appear at the door. The connections of universities to labor markets on the output end become extremely segmented: not only are larger numbers of graduates at multiple degree levels to be turned out but they are to be graduates trained as experts in a vast array of occupational specialties. The patronage of universities diversifies: in public universities, high-total budgetary support by a single patron, national or state government, is replaced by a half-dozen or more changing income streams; in private universities, income from tuition and fees, endowment, and alumni largess constitute major sources of support alongside funds variously obtained from governments, foundations, and international organizations.

Arguably the most important and irresistible pressure calling for university adaptation, if the one least remarked, is the veritable explosion of knowledge that rolls on in a self-propelling fashion in one field of knowledge after another. As old fields diversify and fragment their knowledge base and new ones rapidly arise, the highly selective choice of which segments to pursue and which ones to downplay—or totally ignore—becomes more pressing in even the wealthiest universities. The need for tougher decision making steadily grows in the domains of history and literature, anthropology and political science, as well as in physics and engineering. Substantive focusing becomes a planning priority all along the line, from department to university to university sector to a whole national system of higher education (Clark, 1996b).

To picture the rising tide of complexity in only slightly different terms, modern universities are pressed to transform themselves so that they can (1) simulta-

neously perform elite and mass functions in a welter of differently constituted structures and programs, (2) directly relate to private industry, nonprofit organizations, professional associations, and various segments of the general population, as well as to local, regional, national, and transnational governments, and (3) broadly commit themselves to relevant knowledge and useful learning as well as to knowledge for its own sake and learning that has no immediate utility. "Missions" multiply and conflict; "purposes" fill a portfolio of desires. Many forms of planning arise in different parts of universities and higher education systems to cope with such increasing complexity.

In efforts to regulate universities, patrons may step forward in one period and back in another (Neave and van Vught, 1991). Governmental patrons in particular are fickle partners: they have different and highly changeable sets of interests from those of higher education institutions. But sooner or later, generally after much backing and filling, major patrons encourage the search for the *self-regulating, responsive university*, even the *entrepreneurial university*. Then the planning of pathways of development is not left to the global outlook of state officials and system administrators, nor even to those who sit astride the university as a whole. Entrepreneurial responsiveness is increasingly lodged both in the decentralized structure of the academic heartland and in an expanding developmental periphery of outreach offices and programs particularly oriented to development of environmental linkages. Not only does the university as a whole struggle to stay on its feet, but so, too, do a growing number of constituent units. Wise subunits plan their way, always on the lookout for new, viable directions in research, teaching, and learning.

A central tension in the entrepreneurial university is the need to reconcile new managerial values with traditional academic values. Academics are quite properly suspicious of the jargon and outlook of a hard managerialism imported from industry without regard for the vast, fundamental differences between university and nonuniversity forms of organization. The bottom-heaviness of universities has to be understood not as a defect but as a natural feature of organizations in which disciplinary and professional lines of affiliation and authority crisscross the institutional lines that predominate in most public and private organizations (Clark, 1983). Members of the physics department are first of all physicists; their value to the university lies in their capability to do research and teach and provide service in their particular realm, including exploration of linkages with neighboring fields old and new. As subject territories become more complicated and esoteric, their supporting "tribes" within universities have a stronger rather than weaker need for autonomous self-development (Becher, 1989). If capabilities are to be propagated in the basic units, ongoing devolution becomes a virtual necessity. Hence, decentralization from state to university and

from university to basic unit is much on the international agenda as we turn toward the twenty-first century.

Planning strategies must be based on this fundamental recognition. Managerially driven schemes ought to encourage new and old basic units to find their own best pathways into the future. No matter how much universities attempt to run a tight ship administratively, they work from a platform of operational diversity. Beyond the multiversity lies the emerging academic conglomerate or federal university, in which parts proceed in different directions and use different methods. Medical schools, more than ever, are pushed to be tubs on their own bottoms, even splitting off as privatized components of public universities. In many countries, business schools now become essentially two organizations: a first-degree segment supported by the state and a set of advanced-degree programs (M.B.A. and executive-training endeavors) that pay their own way from tuition and fees. One major part of a university—for example, some engineering departments—may largely live off industrial research contracts, a form of support in which student head counts play no part, while another major segment, the humanities, depends on governmental and institutional support computed mainly on the number of students enrolled, sometimes supplemented by such output measures as the number of degrees awarded.

With the clash between new managerial-and-planning approaches and traditional academic-professional outlooks at the center of organizational tension, the ultimate Gordian knot in the entrepreneurial university is how to plan for unplanned change. Answers seem to lie in the counterbalancing construction of self-directing units and overarching administrative frameworks that assert broad institutional interests. Valuable unplanned change lies largely in the realm of the university understructure. The centrifugal force of initiatives taken at this level plows pathways from the present to unknown futures. Subfaculties, internal colleges, departments, research centers, and interdisciplinary programs all make their bets in a rolling wager, seeking the benefits of good choices and suffering the consequences of bad judgments. Planned change lies largely in the realm of larger administrative frameworks that, in the name of broad institutional interests, will decide, for example, to back certain new departments and programs while closing others. Central groups particularly need to seek symbolic expression of unified character, persistently maintaining that an oddly shaped conglomerate of disparate operations, stretching from the classics department to the medical school, is actually a united organization that knows what it is doing.

Facing the twenty-first century, Americans need to be mindful of the extent to which university planning should take into account what is occurring elsewhere in the world. Clearly, American universities have been leading the way during the last half of the twentieth century. Observers from other nations have come to our

shores, and will continue to do so, to learn how we do certain things, from operating an open-door system of mass higher education to constructing world-class research universities. But Americans should not assume that there are no useful lessons they can learn from current efforts in reform and institution building in higher education elsewhere. Other national systems are working hard to catch up with and stay abreast of the forefront of “the international orbit of learning,” to recall Clark Kerr’s phrase. In many regions of the world—a good example is Europe—considerable analysis and transfer of ideas is taking place across national lines. In shirking from such learning, American higher education experts need to recall the painful experience of American industry in the myopic days of the recent past, before trips to Osaka and major restructuring became commonplace. This historic error need not be repeated in higher education, especially among those committed to better planning. Currently, Europe alone is a sufficient treasure trove of university experimentation. The volume of papers before us, which so richly extends our working knowledge of contemporary university restructuring in American higher education, has its value extended when American findings are placed alongside insights gained in the study of university transformation in other societies.

What we find as we search for change agents and processes of change in the higher education systems of the world is enormous tension between planning frameworks and the virtual “anarchy of production”—a necessary disorder—that generally exists at the level of the individual academic preoccupied with doing a good job in the give-and-take, and now rapidly changing, milieu of research and teaching. Everywhere in postsecondary education systems, a spontaneous road to order follows from the interacting competencies of thousands of faculty specialists, as well as from the spontaneous mobility of students who are able to choose institutions and fields of study. This road is difficult for all of us to understand, and one that is especially difficult for responsible government officials to recognize and approve. As higher education becomes more complicated, the order provided by state-imposed organizational frameworks and regulations can carry us only part of the way. Large grids of assignment and demarcation among institutions and disciplines, as in state master plans, can be redrawn from time to time, usually after much political struggle. At the same time, the broad river of established, connected practices rolls on, influenced in shape and flow by marketlike interactions and profession-led changes that may be only barely touched by planning frameworks. Greater sophistication about essentially unplanned lines of development can hardly come about too soon, since public concerns about postsecondary education everywhere stimulate the urge to micromanage from outside and microevaluate from on high. As we attempt to work out planning strategies, we need a better grasp of how state officials and academic staff make use

of market-type interactions and how, in turn, various markets shape formal frameworks and professional behavior. Many interacting forms of coordination serve as lines of continuity and as engines of change.

What will universities be like in the year 2025? No one knows. Since there is no market for the unknown, and neither officials nor academics can design it, flexible openness remains essential. Higher education institutions need to ratchet their way across time, from one newly secured handhold to another, as they actively test and manipulate their environments, assess and alter internal capabilities, and accept risk portfolios as the price of long-term effectiveness. We shall soon see whether the 1990s have ushered in a golden age of experimentation and desirable change.

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PREFACE

As we approach the twenty-first century, institutions of higher education are facing challenges they have never faced before. Clark Kerr (1987) observed that there has been a revolutionary rather than an evolutionary change in the environment of colleges and universities, and that these challenges represent a “new age” for higher education. In the decade since Kerr’s observation, the external changes have only accelerated.

In this new context, higher education institutions need to critically examine their programs and processes, adapting where possible and reorganizing and restructuring where necessary. Most critical to the long-term effectiveness of higher education is thoughtful attention to the design of institutional processes for planning, management, and governance. The ability of colleges and universities to adapt successfully to the revolutionary challenges they face depends a great deal on an institution’s collective ability to learn, successfully implement appropriate change, and continuously improve the core technologies of the organization.

The challenges facing institutions require a new paradigm for how we think about postsecondary education. Our institutions are beginning to exist in a fundamentally changed context, from a loose system of postsecondary institutions to one that might better be described as a postsecondary knowledge industry. That industry is marked by intensified competition among postsecondary institutions and from business both in the United States and globally, increasing governmental regulation, a more diverse clientele, and rapidly changing technology. Institutions

need to respond to demands for more emphasis on nontraditional students, extended modes of delivery, more extensive relationships with government and business, more concern for learners and learning needs, and more interdisciplinary and cross-disciplinary scholarship.

These challenges call for a revolutionary redesign in many of our institutions, which requires a *redefinition* of a postsecondary knowledge industry and our institution's role in it, *redirection* of our institutional missions and external relationships, *reorganization* of educational programs and delivery systems, and *renewal* of the academic workplace. These extensive challenges require of our institutions a renewed commitment to planning and to a new mode of planning—contextual planning—that is broader in scope and capable of introducing extensive change in our institutions. Institutional planning and resource allocation processes are assuming crucial importance in the new environment. How to effectively design, implement, and carry out planning is increasingly a critical test of institutional leadership.

The emergence of the new age of higher education is not unrelated to global economic, political, and technological changes that are affecting all our lives. Access to higher education is now seen as critical to the “life chances” of a majority of the population, not only in the United States but in most developed countries of the world. True worldwide communication, a result of both technological advances in communication and cultural changes in language, have created a genuinely international market, not only for conventional products but also for “knowledge professionals,” research, and educational services. As a consequence, higher education is under rapid expansion everywhere, and in this process governments are encouraging major reforms of their higher education systems, aggressively seeking effectiveness *and* efficiency, access *and* innovation. The result is unprecedented change in the environment of higher education, the nature and degree of which is revolutionary. It does not affect every institution in the same way, but it is likely to affect every institution.

The significance of the new competitive environment becomes even more evident when we examine the explicit challenges this new environment poses to higher educational institutions. We must accommodate or respond to demands for increased diversity; for wisely utilizing information, telecommunications, and computer technology; for increasing the quality of education and management; for contributing to economic productivity; for relearning in all areas of society; for a more global approach; and for new research agendas. Finally, these changes have to be performed in an environment of increasing competition and resource scarcity.

The intent of this book is to examine the challenges of the changing environment, the new approaches to planning that are necessary to respond to these challenges, and some planning strategies and management approaches to address

the emerging issues of the new millennium. This book is addressed to presidents and other executive officers who want to understand how to redefine, redirect, reorganize, and renew their institutions; to planners, institutional researchers, and administrators who want to introduce new approaches and techniques to reform their institutions; and to higher education scholars interested in organizational behavior—in governance, planning, management, and institutional research for the decades ahead.

The collection has been designed as an authoritative handbook. The authors for each chapter are noted experts on their topic, and the chapters are written for the nonspecialist, providing a comprehensive overview of each topic with suggestions for further reading. The organization of the volume is from the general to the specific. Part One, “Redefining the External Context for Postsecondary Education,” addresses some of the broad contextual changes and challenges facing postsecondary education and some of the external organizations, agencies, and dynamics that influence planning at the institutional level. Part Two, “Redirecting Institutions Through Contextual Planning,” introduces a broader, more proactive approach to planning for this new environment and suggests how the primary elements of planning can be used to redirect our institutions. Part Three, “Reorganizing Management Support for Planning,” examines how our various management and analytic functions can help reshape our institutions. Part Four, “Renewing Institutions and Planning for Academic Challenges,” focuses again on approaches to some emerging planning issues that all institutions will face in the decade ahead.

As we move into the next century, colleges and universities throughout the world are grappling with the changing environmental forces systematically described in this volume. At every institution there is and will be vigorous debates about how planning and management should best be conducted in this new context. As suggested throughout this book, these debates matter in a way that has not been true in the past. Our goal has been to contribute to these critical discussions on the future forms of higher education by providing this thoughtful collection of essays codifying what has been learned from research and experience on planning in colleges and universities.

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