

# Good Governance in Universities: The Challenge of Collegial Control<sup>1</sup>

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## 1. Introduction

In its broadest sense the concept of “governance” refers to governmentally determined laws, rules, and norms which assure the proper functioning of organizations and their acceptance by the public. With reference to higher education (Dill, 2014), governance includes the national framework of finance and regulations designed to assure the public interest in university education, research, and public service, what is often termed “external governance.” However, because of the complexities of university work, academic staffs in the Organization for Economic Cooperation and Development (OECD) countries have traditionally been granted substantial professional autonomy in institutional decision making. Therefore, with regard universities, governance also includes the design of “internal governance” by which the universities themselves coordinate and control academic activity to assure the public interest. The means for improving the internal governance of universities will be the primary focus of the following arguments.

Over the last quarter century as the social and economic contributions of university education and research to public life have become ever more evident, OECD nations substantially expanded access to university education as well as support for university research and technology transfer (Dill and van Vught, 2010). Many governments also adopted “new public management” (Hood, 1991) approaches to external governance, which required universities to take more corporate responsibility for their own futures. This has involved awarding more authority to university rectors and their senior management teams, encouraging university dependence on private funding as well as tuition support, and requiring greater public accountability for universities in which market forces play a larger role. As a consequence, in many European nations academic values and the collegial authority represented by strong academic senates and councils have been weakened (Shattock, 2014). What concepts could guide improvements in internal governance within current and future universities? In the concluding section this question will be addressed by applying concepts from a recent model of collegial governance to a particular US national research policy and its implementation at a research university (Dill, 2018).

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## 2. The Perils of Poorly Designed Regulatory Policies

The turn toward a “corporatist” model of external university governance by many nations has often been described -- not in a flattering manner -- as the “Americanization” of higher education. Because of the distinctive political evolution of the US, America’s highly ranked public and private universities were required from the outset to be strategic actors, subject to market competition for students, academic staff, and financial support for academic research (Dill, 2014). Consequently, in contrast to England and Europe, presidents and boards of control from the outset possessed substantial influence in American colleges and universities and collegial control of internal governance did not fully develop until the last half of the 20<sup>th</sup> Century.

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But recent research (Stiglitz, 2012; Muller, 2017) has emphasized the supposed economic and social benefits of competitive markets, even in higher education, are highly dependent upon an effective institutional framework of government policies. Poorly designed regulatory policies can promote inefficient behavior within universities by altering existing incentives and compromising traditional ethical practices.

For example, government policies intended to promote the “corporatization” of universities often encourage more centralized, hierarchical, administrator control of university governance, diminishing faculty influence over academic standards and efficiency. But an emphasis on administrator authority in universities is likely less efficient for society than well designed collegial processes of governance and decision making, because long-term academic staff are more likely to provide truly independent judgments on critical university decisions than are shorter-term administrators who may personally benefit in status and salary from the decisions made (McPherson and Schapiro, 1999). As Williams (2013, 67-69) noted with regard dishonest management in the UK university sector:

“In any economic or social organization there is always a risk of corruption, as some people in positions of influence use their power for their own advantage rather than for that of the organization or society to which they owe allegiance. ...In a competitive market system those in positions of authority are particularly susceptible to temptation, especially if they promote entrepreneurial behaviour where success is measured largely in terms of effective innovations, which often means bending the rules, sometimes to breaking point. However, the adoption of market values and financial incentives greatly increases the temptation. ... Certain British universities have been fined considerable sums for over-recruiting on student target numbers and occasionally for submitting misleading statistical returns about numbers of students and course completions.”

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An economic behavioral model of US universities (Carroll, Dickson and Ruseski, 2012), which controlled for the degree of influence in internal governance, discovered that decisions made primarily by administrators led to an overinvestment in university “non-academic quality,” such as athletics, amenities for student life, and residential facilities. Administrator-controlled decisions also led to increased undergraduate enrollments and to higher total costs for undergraduate students. In contrast, decisions reflecting greater faculty participation in governance led to lower investments in non-academic quality and to higher levels of graduate enrollment, to greater sponsored funding, and to increased academic quality as measured by the scope and rigor of academic program offerings as well as faculty qualifications.

Recent economic research in the US system of higher education (Ehrenberg, 2012) also reveals other distortions in university behavior induced by contemporary government rules and incentives. The simplistic measures of academic quality utilized in commercial university rankings in the US (as well as in government-sponsored university ranking systems in some other countries), often give heavy weight to indicators of faculty research. This has motivated universities to attempt to increase their rankings by cross-subsidizing research expenditures with public funds and student tuition fees traditionally invested in instruction. In the US the proportion of institutional funds expended on instruction has been declining, while the proportion of institutional funds expended on research has been rapidly rising (Ehrenberg, 2012). The avid pursuit of higher rankings by US universities also has led to the rapid growth of temporary part-time and full-time instructional staff in order to free research-oriented faculty from teaching obligations, a change also observable in other developed nations (Teichler, Arimoto, and Cummings, 2013). But in the US this growth in temporary instructional staff is associated with declines in first degree student progression and graduation rates. A similarly simplistic measure of teaching, standardized student satisfaction surveys, is commonly used in the US and increasingly mandated for the evaluation of academic staff by government policies in other nations. But research on standardized student surveys (Stark and Freishtat, 2014; Boring, Ottoboni, and Stark, 2016) suggests their scores are

biased by discriminatory evaluations of women and minorities, positively associated with the award of inflated student grades, and are negatively related to direct evidence of student learning.<sup>2</sup>

In sum, external governance reforms which impose means-based standards, such as increased administrative authority or standardized measures of student satisfaction with teaching, or impose performance-based outcomes, such as numbers of research citations, are likely to be ineffective when applied to universities (Coglianese and Mendelson, 2010). In most developed nations universities are best understood as multi-product organizations, which produce complex difficult to measure outputs, and whose relevant technologies are dynamic.

### 3. The “Soft Institutions” of University Governance

As Elinor Ostrom (2010) pointedly observed in her acceptance of the Nobel Prize in Economics, neither the regulatory rules of the state nor market forces are the most effective institutional arrangements for governing, managing, and providing complex public goods in self-organizing institutions like universities. Instead, Ostrom (2000) argued effective collective actions in self-governing organizations such as universities are dependent upon their processes for socializing and invoking social norms, i.e., the shared understandings about actions that are obligatory, permitted, or forbidden. These are the “soft institutions” of university governance (Kaplan, 2006).

The influence of professional norms on academic behavior has been discovered to be particularly influential in a recent sociological study of the most respected “world class” research universities (Paradeise and Thoenig, 2015). Within these universities academic quality in research is primarily sustained and improved through the social interactions that occur within and between academic subunits and among academic staff. These interactions include many formal and informal internal conversations as well as repeated self- and cross- evaluations, which strongly regulate the behaviors of faculty members in differentiated academic units. The communal norms generated and communicated through the collegial processes of internal regulation and socialization are a primary form of social control in elite research universities.

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How can this perspective on effective collective action inform the design of internal university governance? Emmanuel Lazega (2001, 2005), a French sociologist, has developed a testable socio-economic model for research on collegial organizations. His model focuses on the social mechanisms which make it possible for interconnected professionals to cooperate and engage in collective actions for the efficient production of complex work. Let me illustrate his concepts by discussing an academic policy with which many faculty members have had experience – human subjects research.

### 4. US Policy on Human Subjects Research

Over the last several decades many OECD nations including the US have implemented national policies on human subjects research (Office for Human Research Protections, 2017). In 1974 the US Congress first adopted a related National Research Policy, which similar to the recent national reforms of higher education in other nations, was a unitary policy affecting all public and private universities in America. Violations of the policy involved serious sanctions -- the suspension of all Federal academic research funds for an offending institution -- and some respected universities have been so penalized. But in marked contrast to the recent reforms of higher education policy in a number of other nations, the US policy on human subjects research *did not* establish a new regulatory agency, *did not* require universities to publicly publish information on their professional performance, *nor* did the policy assign greater authority to university administrators.

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2 For a constructive university response to the limitations of standardized student course surveys, see the qualitative tools for obtaining student comments on their instructional experiences implemented at The University of Duisburg-Essen in Germany (Ganseuer and Pistor, 2017).

The US human subjects research policy and its impacts on American research universities, as represented by the experience of the University of North Carolina (Dill, 2018), well illustrates a number of the core concepts of Lazega's (2005) model of collegial control. In Lazega's view an important component of effective collegial control within an organization is the presence of "shared values and norms essential to effective professional performance." The US national policy defined a set of ethical requirements and research responsibilities for researchers (National Commission, 1979) and required universities to effectively communicate these professional norms to all relevant academic personnel. These ethical guidelines were developed by a nationally appointed commission, the majority of whose members were respected university scholars and researchers. Thus, consistent with Ostrom's (2000) principles for effective collective action in self-governing organizations, the relevant social rules for research behavior were tailored by members of the academic profession itself.<sup>3</sup>

The national policy also required each university academic staff to collectively develop and implement an Institutional Review Board (IRB), composed primarily of respected university academic researchers, to apply these ethical norms in the approval of all relevant proposed research. Therefore, the national policy created an incentive for UNC and other universities to design what Lazega (2005) describes as a "lateral control mechanism," a primary means by which collegial organizations achieve effective quality assurance. To be effective such a mechanism needs to be conducted by trusted and respected institutional peers. Nominally the appointment of IRB members at UNC was made by the Vice Chancellor of Research. But over the last fifteen years the process was implemented in a highly collegial manner, with the IRB Chairs and the Director of the Office of Human Research Ethics (OHRE) consulting personally with senior faculty members across the university to identify and recruit the ablest, most experienced, as well as best respected scholars for appointment to each IRB. However, recruiting respected faculty members to serve in collegial governance is becoming a challenge worldwide, because of the growing external demands on academic staff for teaching, research, and administrative responsibilities. At UNC, similar to many US universities, release time for faculty members to participate in faculty governance activities is uncommon.

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Within collegial organizations the monitoring and enforcement of shared professional norms is most effectively conducted by colleagues possessing what Lazega (2005) terms "the authority to know." US research universities have traditionally made such distinctions in academic authority based upon relevant experience as well as expertise (Dill, 2014). For example, at UNC, only tenured full professors are awarded the "authority to know" who among their departmental colleagues should be granted academic tenure and a professorship. Similarly, US national policy on human subjects research requires all university IRBs include academic peers who are expert in ethics and research design, as well as professionals knowledgeable about human research subjects, to thereby assure proposed studies are ethically appropriate, scientifically valid, and have been subjected to truly independent review by informed professionals (Emanuel et al, 2000). Therefore, at UNC each IRB is truly multi-disciplinary, including the "Behavioral" IRB, where proposals from faculty members in the College of Arts and Sciences and relevant Professional Schools are reviewed by researchers with relevant experience in the sciences as well as by researchers in related social science fields. The US policy of multi-disciplinary IRBs therefore suggests a possible mechanism for addressing the criticism of contemporary universities as constructed of separate "academic silos", which require more horizontal coordination in collegial governance (Bowen, 2016).

The US university IRBs have also adopted a process of what Lazega (2005) terms "graduated sanctions" for unprofessional or opportunistic academic behavior. That is, respected academic colleagues on the IRBs at UNC first talk with and counsel potential research violators on means of improving flawed research proposals. Only after thoughtful and systematic efforts at personal education and socialization have proved ineffective can a negative decision by an IRB be rendered.

3 With regard possible "shared values and norms" essential to effective instruction in a university, see the "Principles of Teaching and Learning" developed by the Eberly Center (2017) at Carnegie Mellon University (CMU) in the US. These principles were derived from the respected research on effective university course design by the CMU Open Learning Institute.

Finally, the UNC IRBs have provided a new collegial mechanism by which the university can as Lazega (2005) recommends renegotiate the shared “precarious professional values” essential to effective academic work. Researchers’ academic freedom is an example of such a value, which may become more precarious if it comes into conflict with their ethical responsibility for research participants. With regard academic freedom the IRB process is best understood, not as applying external standards, but as “doing ethics” (Stark, 2012). That is, as at UNC, the required IRBs are actively engaged in identifying and clarifying through a process of “case-based decision-making” the ethical standards currently appropriate to designing and conducting research on human subjects as well as regularly socializing all researchers in the academic community to these evolving professional norms. The IRB process thereby provides a more immediate and respected mechanism for addressing the uncertainties and complexities in shared professional values inevitably caused by ongoing technical innovations and new developments in academic research.

## 5. Conclusion

A frequently advanced criterion for good governance is the “epistemic-deliberative” quality of the process (Buchanan and Keohane, 2006). That is, does the governance process function in such a way as to facilitate principled, factually-informed deliberation about the terms of organizational accountability? Applying Lazega’s (2005) model, a university’s collective faculty should ask:

- Does our university’s governance process clearly state and successfully socialize academic staff to the “values and norms essential to effective professional performance” in instruction, research, and public service?
- Does our university possess effective “lateral control mechanisms” for monitoring and enforcing the “shared understandings about academic actions that are obligatory, permitted, or forbidden?”
- Does our university governance process clarify who justifiably possesses “the authority to know” with regard the evaluation of instruction, research, and public service?
- Does our university employ “graduated sanctions” for control of unprofessional or opportunistic academic behavior?
- Does our university possess operative mechanisms for renegotiating the shared “precarious professional values” essential to effective academic work?

Further research is needed to assess the impact of recent national policy reforms on the behavior of universities and academic staff. But as work in developed nations grows increasingly knowledge-intensive, as businesses and governments recruit additional professionals, and as corporate management structures become flatter and more decentralized, research on the collegial form of organization within universities could also make a vital contribution to society as a whole.

With regard internal university governance, more systematic research is desired on how best to achieve effective collective action among peers. That is, how do universities successfully organize and conduct academic work, how do they maintain and improve quality, how do they preserve professional unity, how do they control academic deviance, and how do they balance academic continuity with the need for continual technical change (Lazega, 2005)? Knowledge of the social mechanisms for achieving durable cooperation among professionally rival academic peers remains the best means for improving academic governance and improving the productivity of universities in all countries.

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