



Univ.-Prof. Dr. Christian Scholz<sup>1</sup> / Univ.-Prof. Dr. Volker Stein<sup>2</sup>

# University Governance and the Contemporary Role of Deans: A Brief Look into a Research Agenda

KORFU-Arbeitspapier Nr. 19

(Siegen – Saarbrücken 2015)

[www.kor-fu.de](http://www.kor-fu.de)

<sup>1</sup> Universität des Saarlandes, [scholz@orga.uni-sb.de](mailto:scholz@orga.uni-sb.de) <sup>2</sup> Universität Siegen, [volker.stein@uni-siegen.de](mailto:volker.stein@uni-siegen.de)



Förderkennzeichen: 01PW11020A / 01PW11020B

## Content

Abstract .....	3
1. Introduction.....	3
2. Research Background .....	3
3. Our Framework.....	4
3.1 Situation: Evolutionary Stages .....	5
3.2 Configuration: Norm – Codex – Index .....	6
3.3 Effectiveness: Object-Level and Meta-Level.....	8
3.4 Composing the Framework .....	9
4. Discussion .....	10
5. The Complex Role of the Dean in the University of the Future.....	10
6. Conclusion .....	12
References .....	13

This paper is composed out of the two following articles: *Scholz, Christian/Stein, Volker, The Dean in the University of the Future – Challenge for an Academic Conference*, in: *Scholz, Christian/Stein, Volker, The Dean in the University of the Future*, München – Mering (Hampp) 2014, 18-27; and *Scholz, Christian/Stein, Volker/Müller, Stefanie/Scholz, Tobias, University Governance: A Research Agenda*, in: *Scholz, Christian/Stein, Volker, The Dean in the University of the Future*, München – Mering (Hampp) 2014, 199-216.

This paper is part of the research project KORFU (kor-fu.de), which is funded by the German Federal Ministry of Education and Research and coordinated by DLR German Aerospace Center. Both are a joint activity of the Universität des Saarlandes in Saarbrücken, Germany, and the University of Siegen, Germany.

## Abstract

*Universities are complex institutions with inherent interest conflicts between top university management and the productive units such as faculties. University governance becomes increasingly important. Still, however, research on university governance lacks a systematic approach. Therefore, the objective of this paper is to introduce a research framework on university governance, consisting of situation, configuration and effectiveness components. The resulting framework serves to map the theoretical conceptions of university governance, helps to identify blind spots in university governance research and points to university governance risks. This paper ends up with implications for higher education management and policy and in particular for deans in their faculties.*

## 1. Introduction

Within the past decade, higher education has gone through major reforms in many countries of the world (e.g. Scholz/Stein 2009), but still faces high external and internal pressures.

**External pressure.** Applying the paradigm of “New Public Management” (e.g. Aucoin 1990) to higher education, political reforms were initiated in order to increase university performance through the implementation of competitive and managerial elements. Redefinitions of goals for universities and new legitimacy demands affected self-conception, mission, strategies and the overall image of universities. The traditional Humboldtian model of universities, still being prevalent in some countries such as Japan, Germany and Canada, is in danger of being completely replaced by the paradigm-shifting “corporate” model of universities that follows the rationale of (more or less modern) corporations.

**Internal pressure.** Regarding their organisational configuration, universities are torn between two opposing principles (e.g. Christensen 2011). One principle is the centralised model of universities with strong control of the university president at the expense of the faculties. The other principle is the collegial approach, reviving subsidiarity, decentralisation and participative bottom-up management.

All this leads to continuous adaptations but leaves one fundamental question open: Which underlying logic of university governance will be able to retain the desired social and economic functions of universities for different countries in their respective situations?

## 2. Research Background

A university is a complex type of organisation. It is headed by a university president (or, depending on the situational terminology, by a rector or vice-chancellor or CEO) and a board of trustees. The university top management assumes roles such as providing the funding of the university, defining the university-wide strategy and offering an attractive selection of academic disciplines. The substructures of a university such as faculties, departments, institutes and schools play the most important role for the university’s service provision. Consisting of academic staff (such as professors, associate professors, assistant professors, research assistants, lecturers) and administrative staff, university divisions are responsible for academic research and teaching. Administrative units of the university provide the bureaucratic and technological infrastructure.

Inherent tensions and conflicts occur between the interests of the university management on the one hand and the interests of the faculties and their academic staff on the other hand (e.g.

Carnegie/Tuck 2010, 434). The crucial question is: Who governs whom? In the sense of an “autocratic leadership” in the centralised model, the university management would claim the lead in all issues of university policy, including organisation and content definition of research and teaching. In the collegial model, almost in the sense of “servant leadership” (Greenleaf 1977), the university management would serve the interests of the university divisions and grant a high degree of strategic, academic and administrative autonomy. Taken together, the inherent tensions and conflicts within universities are a question of centralisation–decentralisation and depend on the extent of academic and organisational autonomy (e.g., Scholz/Stein 2014a).

Since a university can be called a “professional bureaucracy” (Mintzberg 1983, 189), university management requires an increased awareness of how this kind of organisation works. This occurs at three levels. At the macro-level, the main subject of management is the relationship between the political sphere, represented by the ministerial bureaucracy, and the academic sphere, represented by the president of a university in combination with different kinds of university boards. The meso-level focuses the mechanisms of the internal coordination of diverse interests of university management and faculties. The micro-level deals with the decisions of individual actors such as professors.

In universities, this idealistic democratic picture is again and again challenged by reality. From time to time, academics point out “that university governance is sick” (Yoder 1962, 222). Since the early 1960s, the question of balancing the interests between university management and academic staff, between administration and faculties, is repeatedly raised. Usually everyone agrees implicitly or explicitly on the need for university governance regulations but usually has different opinions about the content.

Although the number of academic contributions to the topic of university governance is not very large compared to corporate governance, university governance is more than a side issue in higher education management and policy. Two main streams of research can be identified.

The first research stream is based on new institutional economics (e.g. Jensen/Meckling 1976; Williamson 1975), dealing with aspects such as organisational arrangements for effective individual and collective behaviour and modes of governance in hierarchical structures. For example, the issue of distributed governance in universities among management, faculties and professors can be based on the analysis of property rights (e.g. McCormick/Meiners 1988). The impact of governance on performance output is surveyed empirically (e.g. Brown Jr. 2001) and principal–agent structures in universities are analyzed (e.g. Cunningham 2009; Scholz/Stein 2010). This research stream results in the description of alternative governance modes in universities.

The second research stream is an explorative one, looking to the existing diversity in the field of university governance. Coined as higher education governance, it covers the search for general differences in university governance, taking into account different cultural settings throughout the world, different traditions, different reforms and different ownership structures. Detailed cross-national analyses are provided for example by the OECD (e.g. 2003; 2012). Based on this, there is a search for comprehensive patterns of university governance.

### **3. Our Framework**

In order to sketch out the research framework for university governance, we will integrate the different research streams into one framework. This framework will consist of a situation component, a configuration component and an effectiveness component.

### 3.1 Situation: Evolutionary Stages

We propose a differentiation by evolutionary stages of university governance structures that describe settings of tensions and conflicts being inherent to the structure consisting of university top management (here named as university president with the synonym “rector”) and the research and teaching units (here named as faculties, here to be understood as organisational unit and not as the group of teachers). The evolutionary stage model used here (Scholz/Stein 2010; 2011; 2014b) describes six archetypical developmental stages of university governance:

***Faculty Silos*** depicts the situation where faculties as the core organisational units of the traditional university are divided along professional boundaries. Independently providing research and teaching, they fulfil their tasks according to the standards developed by their respective scientific community. The decision-making processes within the faculties are dominated by the professors. The faculties abandon the option to coordinate with other faculties across faculty borders, therefore, the metaphor of “silos” is suitable. The president of a university as an academic person plays a rather weak role; his managerial tasks are more or less restricted to representation. Centralised service units provide services to the faculties. The relationship between faculties and university top management is based on partnership and not on formal top-down authority. Professors have relatively high academic autonomy, which is supposed to bring about creativity and open up an appropriate scope of action to succeed within the competition for scientific reputation.

***Academic Kindergarten*** is the structural degeneration of “Faculty Silos”, sketching the relationship of the university with individual professors who are opportunistic, with opportunism defined as self-interest-oriented individual behaviour without taking third-party implications into account (Williamson 1975). Some professors, left to themselves and not being compelled into loyalty, begin to seek their own advantages, in particular financial resources, more staff for their research team and prestige. They still have free access to a broad range of university services, a situation that favours free-rider behaviour of single university professors at the expense of others who contribute stronger to the overall university’s interests (e.g. Wilkesmann 2011, 305-306). This works because the individual professors’ accountability is not claimed.

***Presidential Feudalism*** reflects the corporatisation approach of universities with the prototypical hierarchic and bureaucratic last-scale enterprise from the 1980s as role model. The university president is the key player, who decides on everything which affects the future of the university. His completely centralised structure helps him interfere in the remotest corners of the university. He counteracts individual optimisation strategies of individual professors as well as autonomy-seeking strategies of faculties by increasing his own decision-making power. In a rather feudalistic manner, the university president decides on research policies, study programs, accreditation systems, appointments of faculty members, salaries and bonuses, appointments as a dean, and the external relationships to ministries and companies. He is in some cases supported by an alleged governance structure that, however, is instrumentalised to the president’s interests. The university president behaves as the only principal in his university to the disadvantage of the autonomy of faculties and professors who in this stage have only a minor voice in the university. In order to protect himself against the loss of power and influence, he implements supervisory bodies, builds up personal networks of intimates and directs the money flow.

***Individual Negotiation Jungle*** is the structural degeneration of “Presidential Feudalism”. Professors who have been revoked a great amount of individual as well as faculty autonomy, start to adapt to their new role and increase their negotiation capacity focused on extrinsic motivation. Since the university president is the only negotiation partner left for the professors, they will access him with all their problems. They will ask for moral support, more re-

search money, higher salaries, new target agreements, bonuses, incentives, etc. The logical consequence is that the president's negotiation capacity will be exceeded. Increasing system complexity will lead to a system overload with the danger of a collapsing university management. Moreover, the president's formal authority decreases because he faces hundreds of well-trained negotiation partners at eye level. The role of faculties is reduced to a minimum, since each professor negotiates his working conditions opportunistically, even at the expense of the faculty's and the colleagues' interests. Incentivising performance is perceived to be a zero-sum game among all university members.

*University Collegialism* reflects that tasks and problems within a university are carried out by groups of professors in a cooperative way. This democratic structure resembles "Faculty Silos" but, in order to resolve its negative results, introduces new elements. Collegialism follows a normative principle shaped by academic freedom and competition. On the one hand, professors regain full autonomy. They make decisions according to the principle of collegiality regarding the services portfolio provided by their university. On the other, professors are held accountable for their decisions. They are responsible for meeting the demands of stakeholders and, therefore, undertake the risk of failure. The accountability of professors is supposed to lead to their participation in working groups in order to deliver excellent research and teaching. Faculties are strengthened as service providers for the professors, with deans being responsible for the implementation of the academic staff's decisions. The influence of the university president, however, is reduced to external representation and fundraising.

*Dean Autocracy* is the structural degeneration of "University Collegialism". In this stage, deans turn out to behave opportunistically, taking advantage of the withdrawn role of the university president as well of the professors who were sidetracked by coordination efforts. They develop their own agenda, pleading the faculty's interests, and behave within the faculty in as feudalistic a manner as the university president in the stage of "Presidential Feudalism".

Taking these six stages, the structural contingencies of university governance can be determined. In its situation, power is specifically distributed, the inherent tensions and conflicts can be mapped, and the extent of effectiveness and efficiency can be explained.

### **3.2 Configuration: Norm – Codex – Index**

In order to assess situationally how university governance works in practice, we have to identify the configurations being used for balancing power and solving conflicts in different evolutionary stages. Our conceptualisation, making recourse to corporate governance, consists of three configuration components in the sense of institutional arrangements. The university governance norm, deduced from university ethics, is the basis consensus of reasonable principles for university governance. The university governance codex specifies the principles for university governance based on the university governance norm. The university governance index measures the degree of fulfilment of those governance principles specified in the university governance codex. Taken together, these three configuration components translate governance intentions into evidence of governance-compliant behaviour.

*University Governance Norm.* For companies, explicit corporate governance has been developed in the 1990s, however, implicitly it existed long before (e.g. Daily/Dalton/Cennella Jr. 2003). For example it was common consensus what an "honourable merchant" is in business life and which business conduct can be expected. With the increasing strategic and technological complexity of corporate systems and due to the observation that the boundaries of those implicit rules were increasingly checked out, a formalisation of that implicitness was required.

Meanwhile, regulation of former implicitness reaches universities. In this regard, implicit traditions are no longer automatically the guidelines of action. It rather seems that everything is permitted that is not explicitly prohibited. However, to uphold governance flexibility for the people in power, it is reasonable to establish normative guidelines, contrary to the alternative of an extensive catalogue of prohibitions.

At first sight, a university governance norm seems difficult to deduce, in particular due to the divergent starting positions of the advocates of centralised and of decentralised governance. It is evident that there are different opinions concerning the formulation of a university governance norm. The respective actors, who feel in danger to be limited in their room of manoeuvre, are likely to oppose such a norm. However, the given social system in which politics, economy and education takes place sets a collective-ethical framework that prefers certain behaviour and excludes other behaviour. This ethical framework is constantly and dynamically evolving and stringently affects all areas of social relations. In addition to that, “good university governance” has to consider the institutional particularities of universities.

First, superordinated principles for university governance derive from the university’s democratic constitution. No single actor can claim the exclusive governance power. Sharing it leads to partial equilibriums of influence. In a fragile system of checks and balances, a democratic balance of power will emerge, being achievable through democratic elections of decision makers and through separation of powers among legislation (decision makers), the executive (management functions) and the judiciary (controller). Accountability for compliant behaviour is demanded in public organisations of higher education (e.g. Paradeise/Reale/Goastellec 2009, 199-200).

Second, superordinated principles for university governance derive from the basis nature of a university as a loosely coupled system (e.g. Weick 1976), i.e. an interrelated community of lecturers and learners with own identities concerning teaching and research. This leads to the norm of joint governance across university subgroups, integrating committees with substantial collegiality (e.g. Orton/Weick 1990) and respecting different socialisations based on tradition and sustainability.

Therefore, the university governance norm is based on distributed influence among the actors in a university, participation rights, transparency of decisions and minimisation of sustainability risks.

***University Governance Codex.*** The university governance codex, being deduced from the university governance norm, is the overall system of guidelines for the embodiment of sustainable and reasonable university governance. There are several types of guidelines:

- Basic guidelines: The university governance codex defines regulations which are compulsory and regulations which are recommended for voluntary application.
- Structural guidelines: The university governance codex lays down the object areas and the principles of university governance assessment and measurement.
- Process guidelines: The university governance codex prescribes how universities report on their compliance of university governance norms and how they establish transparency on whether, where and how far they diverge from the norms.
- Sanction guidelines: The university governance codex specifies the sanction modalities that apply if university governance norms are violated.

The sense of defining those guidelines is to protect the university actors’ interests against unilateral discrimination. Therefore, all four types of guidelines have to be monitored concerning their compliance.

**University Governance Index.** Usually, governance is operationalised by indicator systems and combined in an index. One step further, rankings can make the status of the governance system and the position in cross-organisational comparison transparent. Davis et al. (2012) show the enormous role that such indicator systems already play and analyse effectiveness, reliability and impacts on policy making. It becomes obvious that the design of indicator systems has a significant influence on the effectiveness of governance regulations.

In university governance, there is the analogous need for indicators and derived rankings. A university governance index will exceed the general comparison of higher education systems and the autonomy of university from politics. More precisely, it has to show the implementation of regulations of the university governance codex and report the status of the realisation of single aspects. This can be linked to the four above types of guidelines.

In regard to the basic guidelines, it has to be determined systematically under which university law and university foundation act a university is governed and which university governance norms these laws and acts fulfil. For example, a scorecard for political university autonomy in Europe (Estermann/Nokkala/Steinel 2011) serves to distinguish the autonomy of universities concerning organisation, funding, staff recruiting, and profile formation and results in a performance ranking of European countries in those four dimensions. Similar to that it would be possible to establish a university governance index that is able to identify the balance of centralised and decentralised collegial control in university regulations.

The resulting scoring system, operationalising and quantifying governance issues, indicates the maturity of university governance in a specific university. It will be interesting to determine single indices such as

- an index for the collegiality and participation fit of university laws;
- an index for the transparency of the election of university presidents;
- an index for the transparency of incentive and bonus systems for people with a university leadership role;
- an index for the extent of mandatory and voluntary compliance of university governance codex guidelines;
- an index for the quality of university governance reporting;
- an index for the dynamic development of the university governance codex.

Those single indices can be merged to one overall index. A university governance index brings along a complexity reduction as long as the aggregation rule for transforming various subindices into one substantial index is transparent.

### **3.3 Effectiveness: Object-Level and Meta-Level**

At the end, governance-inherent issues of conflict resolution and quality assurance in a broader sense as well as their effectiveness become crucial. But this is only one facet of university governance effectiveness related to the object-level, since there are criteria at a meta-level: how effective the monitoring of governance effectiveness is, and how effective the continuous improvement of university governance is.

**Conflict Resolution Effectiveness.** The prevalent function of a governance system is to balance inherent tensions and conflicts among decision makers and stakeholders (e.g. Boivard 2005). University governance is effective if it contributes to a university system which is not distracted from its genuine functions. Moreover, university governance has to find a mode of conflict resolution which is minimal in respect to transaction costs (e.g. Williamson 1996, 13).

**Quality Assurance Effectiveness.** However, university governance contributes to the overall appearance of a university. Stakeholders perceive the output quality in teaching and research.



Therefore, successful university governance strengthens the overall competitiveness of the university in the market for higher education. Another important aspect of quality is the overall identity of the university, leading to a shared value system among the university's staff. Thinking this further, university governance contributes to social sustainability for academic professions (e.g. Hammond/Churchman 2007).

**Monitoring Effectiveness.** Once the university governance is defined in a university, it will be essential to repeatedly survey appropriate data and make them available for tracing. Monitoring over time helps increasing compliance towards the norms. The monitoring results allow conclusions on the common consciousness of university governance. Effectiveness can be increased if, similar to corporate governance, monitoring will be based on the definition and application of indices as part of an overall audit system (Cohen/Krishnamoorthy/Wright 2002) and if it will be connected with other parts of the university's governance system such as financial accounting. Monitoring effectiveness is evaluated not only internally but also from the outside. The "market" in the sense of specialist media issue rankings for universities, and researchers in higher education might specialise on single subindices.

**Continuous Improvement Effectiveness.** A long-term aspect of effectiveness focuses the capability of university governance to adapt to new realities. There must be a competence for constant review and change of the most important scopes such as the way of assigning the university president, the decision-making power of the university management and the faculties and the overall transparency of the decision-making system (e.g. Armour/Hansmann/Kraakman 2009). Furthermore it is necessary to regularly assess the effectiveness of the sanctioning system in case of violation of university governance.

### 3.4 Composing the Framework

Binding together the components of the framework leads to figure 1. It shows the six situational stages of structural university development. In each stage it will be possible to specify the prevalent university governance norm, a university governance codex, and main areas of the university governance index. In the end, the effectiveness of every situational configuration in respect to university governance can be assessed along the four effectiveness criteria at the object-level and the meta-level.

University Governance Norm	University Governance Codex				University Governance Index				Effectiveness			
	Basic guidelines	Structural guidelines	Process guidelines	Selection guidelines	Basic guidelines	Structural guidelines	Process guidelines	Selection guidelines	Conflict resolution	Quality assurance	Monitoring	Continuous improvement
Faculty Silos												
Academic Kindergarten												
Presidential Feudalism												
Individual Negotiation Jungle												
University Collegialism												
Dean Autocracy												

Figure 1: Research Framework for University Governance

## 4. Discussion

Which benefit does the proposed research framework on university governance have? First, it serves to map the theoretical conceptions, second, it helps identify blind spots in university governance research, and third, it points to governance risks and long-term threads to the sustainability of the university system.

Applying the research framework to comparisons of international university governance, it is obvious that on a worldwide scale, systems of higher education differ very much. University systems of different countries can be located in different situational stages.

The condition of faculties can serve as a useful indicator for the maturation level of a national university system. It is fascinating to compare faculties around the globe which are run in different ways. It is an empirical task to relate university governance, for example university governance norms on faculty autonomy, university governance guidelines in the sense of a codex, and university governance indices and measurement systems of the different systems, to their performance, their effectiveness and their overall competitiveness.

Reflecting the international differences in university governance, a very important discussion starts, focusing international system transfer. It leads us to a critical view on international convergence and assimilation of university governance. The so-called “Americanisation” of university systems pushing university systems internationally in the same direction of centralistic governance (e.g. Kamola/Meyerhoff 2009) might not be reasonable. While situational factors differ from country to country, competitive advantages can only be achieved if different systems – and not equalised systems – compete (e.g. Page 2007).

## 5. The Complex Role of the Dean in the University of the Future

Especially the changing role of deans in an arena of complex and conflicting political interests is being increasingly discussed in international literature on university governance, since leading a faculty is an activity that mediates between the interests of the professors and the interests of the university management.

While intending to bridge this gap, the crucial question becomes on which side the dean sees himself: on the side of the professors who are the key unit for the production of academic output, or on the side of the powerful presidential university management? Both tend to have different and often conflicting views on the relevance of external university stakeholders such as companies and their influence on research and teaching contents. The dean’s role strongly influences the degree of academic autonomy of the professors and the degree of decision power of the university president.

Two alternative models for the dean position can be observed:

- There are collegial deans who are elected by the faculty members for a limited period of time. They are academics and not specifically trained for the dean’s job, but have prior experience in how universities work from internal faculty and university politics in committees, councils or the senate, and they know that they are in a “primus inter pares” role compared to their colleagues.
- Alternatively, there are professional, full-time executive deans, who are usually installed by the president and serve as the president’s messenger. Being an executive dean means telling the faculty completely what to do in order to conform to the president’s will.

Both are responsible for faculty performance and sustainable development. Therefore, they have to be professionalised. A collegial dean is not naturally qualified because he is already a

professor in the university system. He has, for example, to train in managerial competences as well as negotiation skills, learn about the faculty and university system, and understand all numbers and indicators he will be dealing with. An executive dean has even more to learn. He is not automatically a better type of dean because he is from the outside and a non-academic. On the contrary, it might be highly dysfunctional for an over-the-hill company manager to try to become a university specialist without understanding the system and culture.

In order to strengthen his position in university policy, a dean has to reflect his activities on five fields:

- (1) Strategy of deans and faculties: in which direction can deans influence the development of faculties within the university of the future? This domain includes, for example, the overall identity of a faculty, the formulation of a faculty strategy and the dean's accountability for academic freedom in research and teaching.
- (2) Management of faculties and deans' competence profiles: which management tasks should a dean institutionalise and which competences should he acquire in order to build a faculty with competitive strengths? This domain includes, for example, training requirements for deans, interface optimisation between dean and president and transparency between dean and faculty members.
- (3) Faculty autonomy: what significance will the autonomy of faculties have in the university of the future? This domain includes, for example, decision-making principles within the faculty, power in budget negotiations and administrative independence of the faculty.
- (4) External relations of faculties: which external relations of a faculty can and should a dean shape in the university of the future? This domain includes, for example, autonomy in respect to firm cooperation, independence of horizontal cooperation among faculties and the faculty internationalisation strategy.
- (5) Performance control of faculties: how will a dean be able to direct and control the performance of a faculty member, as well as of the whole faculty, in future competition in higher education? This domain includes, for example, significance of rankings, accreditations, and evaluations, the weight of performance indicators and the overall model of university governance.

These five fields each include the most important and relevant instruments of higher education policies (Scott/Coates/Anderson 2008; Reale/Seeber 2013). Deans are responsible for the implementation of their ideas regarding faculty management.

It emerges that – especially in international competition in higher education – the way to shape faculties will be decisive for the sustainability of the university in the future. To sum up the focal questions: How should a dean influence the faculty so that it can be internationally competitive in research and teaching? What type of dean should he be?

The scope of discussion will range between conventional strategies and alternative strategies. While conventional action focuses on centralisation, an alternative method could be decentralisation or (in the terminology of the university system) collegialism and academic autonomy. What does that mean for faculties?

Applying conventional strategies could – related to the five fields presented above – exemplarily mean making the following moves:

- (1) Strategy of deans and faculties: to serve the university's performance criteria, such as maximisation of external funds;
- (2) Management of faculties and deans' competence profiles: to train deans to be effectively performing faculty heads in the eyes of the president;

- (3) Faculty autonomy: to support centralised service units in order to generate synergies;
- (4) External relations of faculties: to implement cooperation with companies which are politically relevant for the university;
- (5) Performance controlling of faculties: to optimise the system of key performance indicators for faculty-directed control and president-directed reporting.

Modern organisation theory, however, has developed organisational alternatives structurally based on federal concepts such as lean management, delegation, flexibilisation or virtualisation. Increasing complexity is met by an increase in decentralised problem solution capacity.

Again linking action to the five fields presented above, examples of alternative strategies could be found in:

- (1) Strategy of deans and faculties: to restore the ideal of a university as a location of unbiased innovation instead of obedient performance;
- (2) Management of faculties and deans' competence profiles: to involve the faculties in the economisation discussion and let them decide autonomously about their contributions to save financial resources;
- (3) Faculty autonomy: to empower faculties so they can directly negotiate their budgets with the public ministries;
- (4) External relations of faculties: to create inter-faculty cooperation without involving the president as "process owner";
- (5) Performance controlling of faculties: to release faculties from non-productive tasks such as permanent accreditation.

The necessary discussions about the future of universities will be difficult and partly controversial. But first of all, it will be decisive to be precise in what is meant. New insight cannot be derived when there is only common agreement on the surface, while below there is vagueness with room for every possible interpretation.

## 6. Conclusion

Like corporate governance diffuses into corporate culture and corporate behaviour, university governance has to find its way into university culture and then into behaviour of the actors in universities. The more conscious the modes of university governance are, the more it will be possible to instrumentalise it for university effectiveness and competitiveness in the international competition in higher education. Even if it currently seems that in many national discourses university governance is perceived to be the problem, it might turn out that university governance in the end will be the solution to create an identity of the university system and strengthen a sustainable and competitive position. Applying the above research framework on university governance is an important step of enhancing this discussion.

From this point of view, university governance is more than something theoretical and something abstract. It is of utmost relevance for the practical motivation and retention of qualified academic staff in the university system. The substance of the universities' human capital ultimately depends on the university governance system. Therefore, human resource development and training of decision makers in universities (e.g. Scholkmann 2008) has to be adjusted to university governance. For instance, university presidents and faculty deans should be trained in respect to modern, situationally effective university governance.

## References

- Armour, John/Hansmann, Henry/Kraakman, Reinier*, Agency problems and legal strategies, in: *Kraakman, Reinier/Armour, John/Davies, Paul/Enriques, Luca/Hansmann, Henry/Hertig, Gerard/Hopt, Klaus/Kanda, Hideki/Rock, Edward* (eds.), *The anatomy of corporate law. A comparative and functional approach*. Oxford (Oxford University Press) 2. ed., 2009, 35-54.
- Aucoin, Peter*, Administrative reform in public management: Paradigms, principles, paradoxes and pendulums. Governance, in: *An International Journal of Policy and Administration* 3 (2/1990), 115-137.
- Boivard, Tony*, Public governance: Balancing stakeholder power in a network society, in: *International Review of Administrative Sciences* 71 (2/2005), 217-228.
- Brown Jr., William O.*, Faculty participation in university governance and the effects on university performance, in: *Journal of Economic Behavior & Organization* 44 (2/2001), 129-143.
- Carnegie, Garry D./Tuck, Jacqueline*, Understanding the ABC of university governance, in: *The Australian Journal of Public Administration* 69 (4/2010), 431-441.
- Christensen, Tom*, University governance reforms: potential problems of more autonomy?, in: *Higher Education* 62 (4/2011), 503-517.
- Cohen, Jeff/Krishnamoorthy, Ganesh/Wright, Arnold M.*, Corporate governance and the audit process, in: *Contemporary Accounting Research* 19 (4/2002), 573-594.
- Cunningham, Brendan M.*, Faculty: The administrator's keeper? Some evidence, in: *Economics of Education Review* 28 (4/2009), 444-453.
- Daily, Catherine M./Dalton, Dan R./Cennella Jr., Albert A.*, Corporate governance: Decades of dialogue and data, in: *Academy of Management Review* 28 (3/2003), 371-382.
- Davis, Kevin E./Fisher, Angelina/Kingsbury, Benedict/ Merry, Sally E.* (eds.), *Governance by indicators. Global power through classification and rankings*, Oxford (Oxford University Press) 2012.
- Estermann, Thomas/Nokkala, Terhi/Steinel, Monika*, *University autonomy in Europe II. The scorecard*, Brüssel (European University Association) 2011.
- Greenleaf, Robert K.*, *Servant leadership: A journey into the nature of legitimate power and greatness*, New York (Paulist) 1977.
- Hammond, Cathryn/Churchman, Deborah*, Sustaining academic life. A case for applying principles of social sustainability to academic profession, in: *International Journal of Sustainability in Higher Education* 9 (3/2007), 235-245.
- Jensen, Michael C./Meckling, William H.*, Theory of the firm: Managerial behavior, agency costs, and ownership structure, in: *Journal of Financial Economics* 3 (4/1976), 305-360.
- Kamola, Isaac/Meyerhoff, Eli*, Creating commons: Divided governance, participatory management, and struggles against enclosure in the university, in: *Polygraph* 21 (2009), 5-27.
- McCormick, Robert E./Meiners, Roger E.*, University governance: A property rights perspective, in: *Journal of Law and Economics* 31 (2/1988), 423-442.
- Mintzberg, Henry*, *Structure in fives: Designing effective organizations*, New Jersey (Prentice Hall) 1983.

- OECD*, Changing patterns of governance in higher education, in: *OECD* (ed.), Education policy analysis 2003 edition, Paris (OECD) 59-78, 2003, [http://www.oecd.org/education/highereducationandadult\\_learning/35747684.pdf](http://www.oecd.org/education/highereducationandadult_learning/35747684.pdf), accessed on 11 March 2012.
- OECD*, Education at a glance 2012. OECD indicators, Paris (OECD) 2012.
- Orton, J. Douglas/Weick, Karl E.*, Loosely coupled systems: A reconceptualization, in: *Academy of Management Review* 15 (2/1990), 202-223.
- Page, Scott E.*, The difference: How the power of diversity creates better groups, firms, schools and societies, Princeton (Princeton University Press) 2007.
- Paradeise, Catherine/Reale, Emanuela/Goastellec, Gaële*, A comparative approach to higher education reforms in Western European countries, in: *Paradeise, Catherine/Reale, Emanuela/Bleiklie, Ivar/Ferlie, Ewan* (eds.), University governance. Western European comparative perspectives, Dordrecht (Springer) 2009, 197-225.
- Reale, Emanuela/Seeber, Marco*, Instruments as empirical evidence for the analysis of higher education policies, in: *Higher Education* 65 (2013), 135-151.
- Scholkmann, Antonia*, Dekaninnen und Dekane als „universitäre Führungskräfte“: Herausforderungen im Arbeitsalltag – Ansatzpunkte für die Personalentwicklung, in: *Scholkmann, Antonia/Roters, Bianca/Ricken, Judith/Höcker, Marc* (eds.), Hochschulforschung und Hochschulmanagement im Dialog. Zur Praxisrelevanz empirischer Forschung über die Hochschule, Münster (Waxmann) 2008, 71-82.
- Scholz, Christian/Stein, Volker* (eds.), Bologna-Schwarzbuch, Bonn (Deutscher Hochschulverband) 2009.
- Scholz, Christian/Stein, Volker*, Bilder von Universitäten – Ein transaktionsanalytisch-agenturtheoretischer Ansatz, in: *Betriebswirtschaftliche Forschung und Praxis* 62 (2/2010), 129-149.
- Scholz, Christian/Stein, Volker*, Les universités allemandes en mutation et les leçons à tirer par les administrations publiques pour leur gestion axée sur les connaissances, in: *Telescope* 17 (3/2011), 31-53.
- Scholz, Christian/Stein, Volker* (Eds.), The Dean in the University of the Future, München – Mering (Hampp) 2014a.
- Scholz, Christian/Stein, Volker*, Erweitertes Stadienmodell der Universitätssteuerung: Konzeption und Diagnose. KORFU-Arbeitspapier Nr. 15, Siegen – Saarbrücken 2014b.
- Scott, Geoff/Coates, Hamish/Anderson, Michelle*, Learning leaders in times of change: Academic leadership capabilities for Australian higher education, Sydney (University of Western Sydney/Australian Council for Educational Research) 2008.
- Weick, Karl E.*, Educational organizations as loosely coupled systems, in: *Administrative Science Quarterly* 21 (1/1976), 1-19.
- Wilkesmann, Uwe*, Governance von Hochschulen. Wie lässt sich ein Politikfeld steuern?, in: *Bandelow, Nils C./Hegelich, Simon* (eds.), Pluralismus – Strategien – Entscheidungen. Wiesbaden (Verlag für Sozialwissenschaften) 2011, 305-323.
- Williamson, Oliver E.*, Markets and hierarchies, analysis and antitrust implications: A study in the economics of internal organization, New York (Free Press) 1975.
- Williamson, Oliver E.*, The mechanisms of governance, New York – Oxford (Oxford University Press) 1996.

*Yoder, Dale*, The faculty role in university governance. A faculty member's perception. The diagnosis and treatment of organizational pip, in: *Academy of Management Journal* 5 (3/1962), 222-229.