Corporate Reforms to Australian Universities: Views from the Academic Heartland

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Abstract

This paper presents academics’ responses to corporate reforms within eight Australian universities (two sandstones, two metropolitans, two regionals, two universities of technology). Academics (n = 1,041) responded to the Academic Work Environment Survey, a diagnostic questionnaire designed to examine the quality of academic work life within universities in Australia (Winter, Taylor, & Sarros, 2000). Qualitative responses indicated a “clash of academic and corporate values” (Marginson, 2000, p.29). Academics indicated they felt traditional academic values of collegiality, teaching and scholarship were being compromised by funding restrictions, economic rationalism, and managerialist styles of university governance. Findings provide insights into the values and beliefs of a cross-section of academics confronted by corporate reforms across the Australian higher education sector.

The so-called unified national system has proved, in my and my colleagues’ experience, a complete and fragmented disaster. The air resounds with cries of economic rationalism. Ho!, accountability forever!, managerialism rules, O.K.; and everywhere the small voices of students and staff grow quieter and quieter. (Professor/Humanities, Metropolitan)

Introduction

Australian universities are currently undergoing a period of massive upheaval and change as they respond to more students, declining public funding and increased government pressures to reform their structures, lower their costs and achieve greater administrative efficiency. In a climate of reduced government support and ‘user-pays’ for educational services, universities have been pushed and pulled in the direction of competing in a ‘quasi-market’ arena for more and more of their operating funds. Hence, generating discretionary funds is a key objective of the Enterprise University today (Marginson & Considine, 2000). To achieve greater administrative efficiency and improve their competitive position in a global education marketplace, university leaders have embraced academic capitalism (DeBats & Ward, 1998) and promoted a managerialist ideology that values competition, individualism, managerial prerogative and labour market flexibility (Clarke, 1998; Crowley, 1999; Ellingsen, 1999; Winter et al, 2000). Thus, after a decade of university reforms there has been a steady increase in the corporate and enterprise cultures of Australian universities (Marginson & Considine, 2000, pp.3-6).

Corporate reforms of universities represent a fundamental change in the way the university relates to its environment and functions. At the structural level, executive decision making has either supplanted existing hierarchies or supplanted collegial forms of governance (Marginson & Considine, 2000, p.44. Governing councils of universities (e.g., senates, academic boards) now resemble corporate boards and take strategic decisions with minimal academic staff input. Education objectives have been formulated into strategic planning statements as ways of producing knowledge as a marketable, saleable commodity to differentiated segments of the client (student) population. At the cultural level, academic identities are “subordinated to the mission, marketing and strategic developments of the institution and its leaders” (Marginson & Considine, 2000, p.5). Indeed, business-speak is now the dominant language in academe. Vice Chancellors are referred to as Chief Executive Officers rather than leaders of academics (Butloy, 1999, p.19). The language of ‘middle managers’, ‘customers’ and ‘products’ has displaced the academic language of deans, students and courses. At the same time, corporate forms of work organisation have been introduced under the guise of quality assurance mechanisms, staff appraisal, and accounting systems...
(Taylor et al, 1998). Hence, ‘frame-breaking’ (see Nadler & Tushman, 1989) structural and cultural changes have occurred within the university impacting on the centrality of academic autonomy, professionalism and collegial relations (Buchbinder, 1993; Neave, 1990) and cutting at the heart of traditional academic values (Ramsden, 1998, pp.22-29).

Unlike previous senior-manager centered perspectives of corporate reforms (see Marginson & Considine, 2000; Meek & Wood, 1997), this paper examines reforms from the ‘academic heartland’ (see Clark, 1998) of Australian universities. Full-time academics, across different positions, disciplines, and types of institution provide insights into the current problems faced by academics confronted by resource constraints, changes in university governance and corporate work cultures.

**Method**

**Data Collection**

Academics responded to the Academic Work Environment Survey (AWES), a diagnostic questionnaire designed to examine the quality of academic work life within universities in Australia (Winter et al, 1998; Winter et al, 2000). The 99-item survey included twelve items indicative of corporate reforms across the Australian higher education sector (a = .85, n = 994). Items included ‘the emergence of very large, multi-campus institutions’ (Mahony, 1996; Winter et al, 2000), ‘managerialism replacing collegiality in the academic community’ (Clarke, 1998; DeBats & Ward, 1998), and ‘institutional pressures to increase productivity through quality assurance mechanisms, appraisal systems, and performance indicators’ (McNinnis et al, 1995; Taylor et al, 1998). Academics were asked to rate the size of the impact of these changes on their current jobs (1 = very small impact to 5 = very large impact) and to indicate their responses to these changes. In addition, academics were asked to indicate their feelings towards their current work environments.¹

**Sample**

Between August and September 1998, surveys were distributed to 2,630 full-time academic staff stratified by level (five positions), discipline (five discipline areas) and university type (four university groups). The final sample was 1,041 academic staff (effective return rate of 40%). Table I indicates the personal and professional profiles of academic respondents.

**Data Analysis**

Quantitative and qualitative data analysis techniques were employed to examine academics’ responses to corporate reforms (Creswell, 1994). Survey items were described using descriptive statistics (means) and grouped according to the survey’s ‘five-point’ Likert scale classification:

1. Very small impact (mean under 2.50)
2. Small impact (mean 2.51 to 2.90)
3. Moderate impact (mean 2.91 to 3.09)
4. Large Impact (mean 3.10 to 3.50)
5. Very large impact (mean over 3.50).

One-way analyses of variance (ANOVA) were computed to identify significant demographic differences in academic responses. A qualitative analysis of respondents’ comments ensured reported issues were grounded in the words of individual respondents (see Turner, 1981). Events, issues or concepts of significance to respondents were categorised using the following keywords (their relative frequency is shown in brackets):

¹ Survey items are available from the author on request.
The relative frequency of the value conflict, government funding and managerialism keywords indicate these were salient issues to respondents. Academics indicated they felt funding restrictions, corporate values, and managerialist styles of governance were compromising traditional academic values of collegiality, teaching and scholarship.

Findings

The sample overall (n = 1,036) indicated corporate reforms had exerted a very large impact on their jobs and workplaces (M = 3.90). Respondents strongly agreed that ‘decreased public funding’, ‘managerialism replacing collegiality in the academic community’, and ‘entrepreneurialism and freezing activities’ were changes that had exerted a very large impact on their current jobs. Across all age groups (n = 1,031), 71 per
cent of academic staff indicated corporate reforms had exerted a large impact on their jobs, 11 per cent indicated a moderate impact, and 18 per cent indicated reforms had exerted a small impact. Academic responses were found to differ significantly by discipline areas, with academics from health sciences (M = 3.25) indicating weaker responses to corporate reforms than academics from humanities (M = 4.11), science (M = 4.03) and business (M = 3.75) discipline areas (F[4,1033] = 55.04, p < .00 1). Health science academics may have reported weaker opinions due to their dual roles as practitioners (i.e. clinicians, optometrists, surgeons) and teaching professionals. Academics in sandstone and metropolitan type universities (M = 3.58, M = 3.64 respectively) expressed significantly weaker opinions to corporate reforms compared to academics employed in regional universities and universities of technology (M = 4.03, 4.12 respectively) (F[3,1034] = 35.84, p < 0.000 1). Response differences across university types may reflect the superior resource positions of sandstone and urban metropolitan universities (Marginson, 1997).

Value Conflict

A large number of academics expressed value conflict with respect to funding cuts and corporate reforms across the higher education sector. Academics, particularly at the lecturer level, regarded market behaviour and business-related principles as inappropriate to higher education and the primary goals of teaching, learning and scholarship:

It is a tragedy frankly — the application of business principle(s) to higher education has been a disaster in terms of intellectual freedom, creativity and research innovation. ‘Competition’ has no place in public institutions in my opinion — other mechanisms to assure quality and service are much more appropriate. It has caused conflict and division within this university as cash starved Schools and Faculty fight over the inadequate carcass of funding provided by the government. (Lecturer/Humanities, Regional)

The changing nature of universities, qua “institutions” from the primary task of educating! (educate, “to lend from”) with roles of teachers/learners, to corporate activities aiming at the commodification of knowledge with roles of provider/customers leads to a changed “reality” of university experience. The focus on numbers of paying enrollees distracts from the profession of teaching/learning and diminishes the qualitative value of the experience. Political activity and reduced academic freedom are entailed by this change. (Lecturer/Business, UOT)

The university system is being cynically attacked. Although there are inefficiencies and some poor performers, mechanisms used to redress these problems are inappropriate. Education is mis-specified as ‘a commodity’ or ‘product’. Research cannot be measured best by publication counting. Students are not customers and do not always know best; universities are not an ‘industry’. I feel like what I value about university education is not valued by university administrators and policy makers. (Lecturer/Business, Sandstone)

Comments also indicated some value conflict vis-à-vis academic pressures to be entrepreneurial and the professional role to educate and facilitate learning:

We seem to be in the grip of a market orientated philosophy which pays long lip service to the needs of students. The only thing that seems to matter to the university is attracting as many students as possible and failing as few as possible. It has been suggested to me by senior staff that it is ‘not desirable’ that overseas fee-paying students should fail any subject on the grounds that if they do — they might go elsewhere. (Senior Lecturer/Humanities, Sandstone)

The need for universities to be more entrepreneurial in seeking funding greatly erodes not only job satisfaction, but seriously undermines a quality education system. Mostly this is in the form of content — the eradication of critical analysis in favour of courses designed to appeal to the untutored demands of business and the misguided perceptions of ‘consumers’. The alignment of ‘business’ and ‘economic’ (as if the two were synonymous) in your faculty title (sic), is an example of these insidious practices. (Associate Lecturer/Business, Metropolitan)
At present the pressure to raise funds and push increasing numbers of students through our courses means that developing imaginative teaching programs and engaging in research is almost impossible. I spend most of my time marking essays and consulting with students who lack the requisite skills to pass, and who expect unprecedented levels of support. (Lecturer/Humanities, UOT)

**Government Funding and Economic Rationalism**

Academics strongly agreed that ‘decreased public funding and increased private funding of higher education’ (M = 4.44) and ‘the rise of consumerism and a “user-pays” fee regime’ (M = 3.83) were changes exerting a very large impact on their current jobs. For respondents, reduced funding and economic rationalism was having a detrimental impact on the quality of education available to students:

I think that the whole concept of higher education as we’ve understood it until now is being completely subverted by the demands of corporatisation and economic rationalism. We are starting to turn out graduates who are reasonably well qualified in a narrow subject area, but are poorly educated. Now, this might be OK — if we want universities to train people for the workforce, then we’re heading in the right direction — but it won’t give us a “clever country”. Degrees are narrowing in focus in response to “market demand” — I would argue for broader UG degrees rather than narrower (I’m against the trend, as usual). Many of our graduates are setting themselves up for miserable working lives because they lack diversity in their knowledge — and this is largely “our” fault. I am pretty pessimistic about the future. (Associate Lecturer/Science, Metropolitan)

As there is little employer support to ‘pay’ for student education in education faculties, the rise of private funding in this area is minimal with increased enrolment to meet decreases in public funding. This policy is unacceptable on educational grounds — and staff health grounds (I am recovering from a stroke which must be attributed to increased work pressures). The economic rationalism model is irrationally being applied to education as many variables operative in the domain are omitted in these models. (Senior Lecturer/Education, Regional)

I am philosophically and politically opposed to almost all the changes imposed on universities since Dawkin’s destructive era. Some of this is mindless playing out of the economic fundamentalists’ agenda; some is the deliberate destruction of individual responsibility in favour of collective rights. I see almost no examples of how students or societies have benefited from these changes. Most severe is the serious reduction of tertiary education resources and downplay of the concept of an educated community. Dumbing down? The people must become as inept and ill-informed as their political masters. These changes are turning off enthusiasm and innovation which was widespread originally despite the occasional slack individual. (Senior Lecturer/Science, Regional)

**Managerialism**

Academics indicated strong positive responses to the statements ‘managerialism (i.e., business-related ‘managerial’ practices) replacing collegiality in the academic community’ (M = 4.09) and the ‘increased emphasis on academic accountability and institutional efficiency’ (M = 4.04). Comments indicated managerial policies and practices were exerting negative effects on academic collegiality, morale and creativity:

The tide of managerialism is the sickest of all the changes being forced upon us. The principles of managerialism are entirely inconsistent with scholarship. Universities are a community of schools, not a herd of academics under the control of half-witted, poorly educated mean spirited managers, who have no concept of what free thought is. Managerialism acts as a significant open-clipping constraint on creativity and the development of collegiality. (Lecturer/Science, UOT)
It is a bad time to be an academic. The university has become a degree factory, administered by incompetent “managers” — without formal management training — who see only the budget bottom line and who exaggerate the relevance of new technology. Students are resented; teaching is downgraded; research is hindered by grants policies which prize the practical above pure research. Finally there is little civility left. There is no morale among academic staff and the community of scholars is now a supermarket (a badly-run one at that!). No one I know wants to stay! Bring back Newman. (Associate Professor/Humanities, Metropolitan)

The current environment is debilitating. There is an increasing mood of anxiety and insecurity about continuing employment which has encouraged a defensive attitude among staff. This has heightened staff emphasis on their careers rather than the job. The result is an uncoordinated pursuit of individual agendas at the cost of collegial, collective objectives for the university. There is an increasing belief that university “managers” do things to staff rather than for staff. (Senior Lecturer/Humanities, UOT)

I’m bemused by the culture change in universities with the emphasis on accountability and producing a corporate product. It seems to stifle curiosity in students and individuality among staff. Am looking forward to the next zeitgeist. (Senior Lecturer/Health Sciences, UOT)

Students and Standards

Comments at the lecturer levels highlighted pressures to pass students in a climate of ‘user-pays’, market competition and declining educational standards:

Whilst I am highly dedicated it seems that EFTSU money is more important than student performance and students who I deem at risk and who should fail are given repeated opportunities to continue on. Student complaints carry much weight and I think this is alarming. (Associate Lecturer/Education, UOT)

Changing nature of universities including — falling of standards; pressures to pass students, no matter that their work may be poor; increasing interference/oversight in assessment to make sure it’s not too hard rather than too easy; poorer standards of preparation, scholarship in academic work. (Lecturer/Health Sciences, UOT)

I feel quality of unit teaching and ideas covered suffer at the expense of developing courses which will attract the most students. Relatedly, I feel standards are dropping as a result of having to get students through so as to keep them on the books. That is, students who should fail are passed through. (Lecturer/Humanities, Regional)

Quality Assurance and Performance Indicators

Respondents indicated there were strong ‘institutional pressures to increase productivity through quality assurance mechanisms, appraisal systems, and performance indicators’ (M = 3.85). A number of senior academics regarded quality assurance and performance indicators as not justifiable in terms of time and cost:

Quality assurance mechanisms and practice have become “ends” unto themselves. Quality is just sacred talk that people feel they must adhere to (i.e. documentation driven quality, documentation drives efficiency etc). Also resources are wasted on bureaucratic process of planning (i.e. corporate planning divisions creating reports after report — but really what changes have they made to the quality of the students produced? Very little I would argue). (Professor/Health Sciences, UOT)

“Quality assurance” programs, while good in principle (we do need to be properly accountable!) are mostly a giant waste of time in terms of the output compared with input work load. (Professor/Health Sciences, Metropolitan)
Increased time spent on quality assurance mechanisms and performance indicators are a terrible waste of time and does not have the desired effect. Only appointing the right personnel in the first place, and sufficient funding does. (Senior Lecturer/Humanities, Sandstone)

Positive Change Benefits

Not all academics commented on the negative impacts of corporate reforms to higher education. The following comments highlight the benefits of strategic planning and the focus on academic accountability:

I feel that the changes have been beneficial, if not painless. Academics can no longer teach the same course year in, year out and expect students to keep enrolling. Our courses should involve both students and the community they service. Previously, many decisions, financial and managerial, were made in our department with little consideration [as] to how they fitted in [to] the big picture and many inequitable situations arose. (Senior Lecturer/Health Sciences, Metropolitan)

These changes have been helpful in forcing academics to consider in a fundamental way what they are doing, and how they might survive. Some kind of accountability is important in any link of intellectual exercise. Whether these advantages will outweigh disadvantages in the long term remains to be seen. Doubtful. (Professor/Humanities, Regional)

I think accountability for money spent is an important principle. The problem lies not so much in accountability but how priority areas are decided. Nor am I totally at odds with an emphasis on management. The effective management of staff—the fair allocation of workloads, the ability to address underlying problems in workplace structure, are really important. (Associate Lecturer/Health Sciences, Metropolitan)

Discussion

Competition and the market ethos are not greatly valued by academics. Academics are mainly contemptuous of economic rationalist policies that relegate higher education to short-term macroeconomic policy goals such as “maximising vocational training curricula while minimising broader (liberal) educational curricula” (Patience, 1999, p.67). Academics tend to share the view that universities are first and foremost centres of learning (Newman, 1982) and as such, fulfill “a central cultural and ethical role for society at large” (Coady, 2000, p.6). Academics express value conflict with respect to policy reforms that treat universities as corporate entities created for the expressed purpose of dispensing ‘digital degrees’ (Crowley, 1998) and generating large numbers of ‘job-ready’ graduates (Clarke, 1998; Coady, 2000). Academics also question the educational value of corporate practices that ‘dumb down’ (Clarke, 1998, p.56) academic programs so as to attract overseas students into courses regardless of their standards of English (Ellingsen, 1999; Kissane, 2000). Comments in this study indicate academics feel the educational role is severely compromised when cuts to government funding forces universities to engage in corporate activities aimed at marketing education, increasing student enrolments, and generating income.

Corporate reforms now mean that academics, in addition to their core activities of teaching and research, have to work more closely with business, industry and the professions in an effort to raise revenue for their institutions (Ellingsen, 1999). Increasingly academics are engaged in entrepreneurial tasks not necessarily central to their training, interests or satisfaction. As such, academics with a strong sense of professional identity lament the decline of scholarship in their institutions and mock “the soul-destroying commercialisation of [corporate] activities” (Gava, 2001, p.46). In a state of value conflict, academics feel disconnected from their institutions and no longer valued as educators (Winter et al, 2000, p.291). But not all academics construe corporate reforms negatively. A number of senior academics in this study highlight the positive benefits of increased efficiency of operations due to improved financial management, quality assurance processes, and academic accountability. Reflecting a different value system, academic managers are enacting flexible forms of organisation such as differentiated research only (i.e. ‘star performers’) and teaching only (i.e.
those who do not publish) contracts (Henkel, 1997, p.138). As such, academic managers are constantly challenging the deeply held academic values of academic tenure and collegial models of governance.

Respondents’ comments indicate a clash of values between traditional academic cultures (i.e. autonomy, professionalism and collegial relations) and the modernising corporate cultures of universities (i.e. strong executive management, strategic planning, quality assurance mechanisms). Since universities are professional service organisations (see Harman, 1989), academics participate in two distinct cultures: the academic and corporate (Marginson, 2000, p.29). Although these two cultures are not mutually exclusive, they do reflect fundamental differences in the ways academics and managers view and structure academic work (Martin, 1999; Randle & Brady, 1997). For example, in today’s competitive education environment income generation might be valued more highly by academic managers than student learning is by academics directly engaged in the teaching process (especially where lecturers are regarded as ‘flexible assessors’ rather than ‘discipline scholars’). Quality assurance processes and performance indicators may be viewed as bureaucratic ‘makework’ activities by academics (i.e. less time to spend on core work) but seen as important budgetary control tools by academic managers. Hence, there exists a strong potential for value conflict in universities whenever external management principles threaten the established internal professional norms and values of academics (Copur, 1990; Nixon, 1996; Winter et al, 2000).

Corporate reforms to Australian universities present challenges to both managers and academics. A recurrent managerial challenge will be how to achieve more administrative efficiency in academic work environments characterised by value conflict and work stress (Gillespie et al, 2001). Gaining the support of ‘the managed’ will not be an easy task when many academics feel personally threatened by corporate reforms and the tenets and practices of managerialism. As collegial relations are strained across university campuses, and commercial activity intensifies, more and more academics will tend to question the validity of corporate work practices. Recent events in Australian universities suggest academic freedom will be curtailed when academics criticise decisions made by senior university management (Ellingsen, 1999; Richards, 1999) or voice their concerns about lower academic standards (Elliott, 2001; Noonan & Contractor, 2001). Academics experiencing value conflict will need to think very carefully about the relationship they want with their university, and how that relationship might be achieved in the future. Without some individual acceptance of the validity of corporate work arrangements, academic staff may continue to experience a decline in their quality of work life.

In order for corporate principles and practices to become embedded in university life, the underlying values and belief systems of academics (i.e. the culture) must undergo a similar change. Findings from this study and the UK (see Barry et al, 2001; Henkel, 1997) indicate this has clearly not happened (as yet) in universities. At middle and junior levels, market values (i.e. consumerism, education as an economic good) and private-sector business practices are not greatly valued by academics and hence the new culture of enterprise is not well embedded. Thus, the primary challenge facing university leaders is how to adapt corporate principles and practices to the scholarly values of academics and the educational needs of universities (Gungwu, 2001, p.44). According to Ramsden (1998, p.12), heads of departments are placed at a critical point of academic influence. By virtue of their positions, they can encourage innovation and entrepreneurial activity across departments (managerial values) whilst maintaining the importance of academic autonomy, professionalism and collegial relations (academic values). Walking this tightrope within the ‘academic heartland’ may help many academics feel valued as educators and less disconnected from their institutions.

Finally, a word of caution as to the implications of these findings. Academic’s expressing negative opinions to corporate reforms does not necessarily imply negative behaviours at work. That is, in assessing the relationship between values and behaviour in academe, one needs to distinguish values that are ‘espoused’ from those that are ‘in use’ (Argyris & Schon, 1978). On the basis of our observations, colleagues often express discontent with the current work environment but continue to carry out a myriad of complex job tasks efficiently and effectively. Further research is needed to examine the systemic impacts of corporate reforms on academic work, values and behaviours.

**References**


