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Public to private: Narratives of change in the wake of European higher education decentralisation

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EDITORIAL

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Year 2021 has become a milestone in the history of Hungarian higher education: it saw the reorganisation of the governance and funding model of most of its institutions. This provided impetus to the compilation of a thematic issue of *Hungarian Educational Research Journal* (HERJ) on the present landscape of European higher education decentralisation: how have other countries fared on this journey and what issues have emerged on the way? Therefore, we called for papers which explored the impact of national structural reforms either in terms of the emergent hybrid models of university governance, or their effect on the various dimensions of institutional autonomy. The rationale behind this was the time span since legal enactment, the inherent interaction of effects, and the complexity of outcomes—all embedded in the specifics of national higher education systems and their environment. This prompts further research beyond the popular performance management and transparency tools (Pruvot & Estermann, 2017; Camilleri, 2021; Van Vught & De Boer, 2015), and the highlighting of unique institutional experiences throughout Europe to offer valuable insights into the complexity of higher education reorganisation (De Boer & Huisman, 2020).

To inspire research, we offered a series of possible research questions based on the findings of Pruvot and Estermann (2017), Motiejunaite, Riiheläinen, Horvath, Noorani, and Parveva (2019), and De Boer and Huisman (2020):

1. How have the types, distribution and decision-making power of external members of university governance affected the strategic directions and implementation of the three university missions?
2. How has greater autonomy in the creation of non-profit and for-profit legal entities enabled a more adequate implementation of university strategies?

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3. How have changes in the type and length of public funding facilitated the meeting of such Horizon 2020 objectives as increasing the access and attainment of under-represented groups, or enhancing the quality and relevance of higher education?
4. How has greater freedom of applying a wide range of financial tools fostered the social dimension of university missions?
5. How has an extended decision-making power in institutional human resources questions affected academic career paths and academic identity?
6. In what ways have external stakeholder expectations influenced institutional academic human resources policies?
7. How has increased autonomy in access policy, study programme offer, and programme content changed the profile of the university?
8. How have internal and external stakeholder expectations influenced academic autonomy?
9. How does the present state of governance reform implementation contrast with the pre-reform landscape of the institution?
10. What are the unique ways, underlying values and interests of governance reform implementation at the institution?

After circulating the Call for Papers in our academic network, we have selected two thematic and two research papers for the issue, each representing a segment of the European experience with higher education decentralisation. The thematic papers discuss a new perspective on evaluating change in the wake of university governance model change, and offer a novel index for higher education self-regulation and its influence on quality and equity. One of the research papers detail the Portuguese case of higher education reform and its impact, while the other investigates how university organisational cultures have been affected by the Finnish and Hungarian higher education governance and funding reforms. We have ordered the articles in the issue based on their connection either by presenting some novelty, or investigating institutional change.

The author of the first article is Danagul Yembergenova, a change management analyst and former doctoral researcher at the University of Geneva. Her research interests extend to higher education governance, organizational change and economic advancement in general, and higher education governance reforms, principal-agent relationships, change and outcomes in special.

The second article is by Emma Sabzalieva, PhD, Head of Higher Education Research and Policy Analysis, as well as Jaime Félix Roser Chinchilla and Takudzwa Mutize, Junior Policy Analysts at UNESCO's International Institute for Higher Education in Latin America and the Caribbean (UNESCO IESALC). Their research areas relate to a range of higher education projects including Futures of Higher Education, Higher Education and National Development, Virtual Student Mobility, The Right to Higher Education, and Higher Education and the Sustainable Development Goals. Gabriella Keczer, the author of the third paper, is associate professor at the Faculty of Pedagogy of the University of Szeged, Hungary and does research on higher education management and governance. Lastly, Bettina Zsalku is a Management and Leadership MSc graduate from Corvinus University of Budapest, Hungary, while Gergely Kováts, PhD, is associate professor at the Institute of Strategy and Management, and the executive director of the Center for International Higher Education Research at the same university. Zsalku's main fields of interest are organizational culture, change management and organizational development, while Kováts has done research on higher education management and governance, higher education policy and funding, and he teaches organizational theory and public management.



Yembergenova presents a theoretical paper looking at why and how to overcome New Public Management inspired problem-solving paradigms in higher education governance research. Conducting a literature review and building on Foucault's interpretation of political rationality, she offers extensive criticism on the prevailing NPM approaches which see the 'higher education system as a hierarchical nesting of levels wherein the state, political parties, or other powerful network actors aim to determine a certain mode of governance to effectively use *across* the system'. Studies accommodating this view tend to investigate higher education devolution in terms of policy approaches, structural changes and governance models, whose validity is embedded in time. Thus they fail to capture the complexity of university governance, offer adequate solutions to the emerging challenges and propose legitimate directions for future progress.

Instead, the author proposes a comprehensive, bottom-up approach, which would 'consider the interpretive rationality of the actors in the political context, and the country's managerial past in its historical context, while simultaneously discerning general patterns of structural changes'. As a theoretical background, higher education governance is understood as in Carlsson, Ramphal, Alatas, and Dahlgren (1995), Bourdieu (1980), Hufty (2011), and Scott (1985), and she builds her interpretation on Foucault's *biopower*. For a desirable research methodology, she recommends the combination of discourse analysis on policy papers, and empirical-analytical studies to 'identify interpretive political rationalities and histories'. Thus a 'less deterministic', more explanatory and practical approach can be achieved, which even include the historical dimension in the analysis. To conclude, the author sees her approach as complementary to post-NPM governance narratives and one which may inspire future comparative research after further empirical investigation into its potentials and limitations (e.g. case studies by discourse analysis and storytelling).

Another novelty is presented in another thematic paper relating to our third research question. Sabzalieva, Roser Chinchilla and Mutize have developed an index for the level of self-regulation of higher education institutions in a national system along various dimensions to assess its impact on the quality and equity of tertiary education provision (SDG4), a yet novel approach in higher education governance literature. Conducting secondary data analysis on the relevant academic literature and various reports, the authors have investigated if there is, and if yes to what extent, a relationship between self-regulation (control and evaluation, funding, strategy and structure, personnel, teaching and research) and quality and equity in national higher education systems in the cases of England, France, Finland and Germany (the managerial, the state-centered and the collegial university models).

First, each dimension of self-regulation has been examined along a number of conditions to reflect the level of autonomy of a higher education system in that function. Then each were summarized with a level (high, medium, or low) to be reflected in a composite index expressing the level of self-regulation at national level. In turn, the impact of the level of self-regulation on the quality and equity of tertiary education in that country was analysed as based on four indicators (institutional quality, labour market outcome, enrolment, and completion) operationalised via proxies (global university rankings, graduate employment rates, gross enrolment rate and gross graduation rates from Bachelor and Master's programmes across the student population and female students) to draw conclusions in relation to the representation of each higher education system in the self-regulatory index.



The results indicate high self-regulation for England, medium for Finland and low for France and Germany. However, a high level of self-regulation does not seem to be the determining factor on quality, but rather it depends on positive student learning attitudes, teachers' commitment to educational outcomes, and academic leadership. As for equity, 'a mix of policy steering and autonomous institutional initiatives' are deemed necessary by the authors to improve access and equity in national higher education systems. Yet, increased self-regulation may provide a supportive framework to heighten quality and equity, while governmental stance on institutional self-regulation may be motivated by individual relationship rather than a desire to improve higher education performance. Overall, there seems to be a 'complex and nuanced relation' between higher education systems' level of self-regulation and their performance: they suggest connection in terms of graduate employment rate increase, partial connection in institutional quality and access rate growth, and show no clear connection to completion rate development.

As for the limitations and possible future directions of the research, the authors highlight that theirs was an initial effort to explore the possible connection between higher education self-regulation and performance in quality and equity, and a further refinement of the index (e.g. measures, data sources) is necessary to improve its applicability for national governments to support SDG 4 via higher education governance. Furthermore, data on 'equity-deserving groups' other than gender, usually specific to national contexts, were missing from the research, and an econometric analysis and investigation into the causality between the factors may be desirable. From the qualitative perspective, the exploration of the contextual factors influencing higher education quality and equity as well as interviews with university leaders in the case study countries could enrich the research into the relationship between state and higher education as regards autonomy.

Moving to the research papers, they discuss issues relating to our research questions on internal-external stakeholder influence on academic autonomy and the impact of university governance transformation. First, Keczer reviews the 2007 higher education reform in Portugal (RJIES) with the aim of revealing potential lessons for the recent Hungarian change. In her presentation of the preparatory phase, introduction and impact of the reform she highlights that governance transformation was only one element of the Portuguese legislation and the foundation model an option for higher education institutions. The research is based on the secondary analysis of the related literature, legal and institutional documents, and reports.

After an overview of the European higher education governance trends and models, the author summarizes RJIES, then focuses on the emerging new governance system and legal status of universities, among them the public foundation university form with its specific governance structure, funding, and human resources policy. Next, the preparation and implementation of the reform are analysed in terms of the influence of its actors and the political context.

Finally, the author assesses the impact of RJIES claiming that it has led to a multi-actor governance system with a level of shared governance for public universities, and a visible transformation with the board of trustees and the general council sharing responsibility for operation and control in the case of the foundation ones. University management has become more effective in general, however, the foundation form has not resulted in a more autonomous and flexible operation. Although RJIES is in line with the European paradigm shift in university external-internal governance, Keczer highlights the 2008–2015 economic crisis as a negative influence on reform implementation. In conclusion, she confirms that the foundation university model has proved harder to adapt and has offered fewer benefits than universities had originally hoped for.



The second research paper is by Zsatku and Kováts and looks into how university organisational culture have been impacted by the transition from public to foundation university in Finland and Hungary. As research on higher education organisational culture in the wake of governance reforms has been limited, the authors address the problem of establishing a clear link between the changes in governance, funding and decision-making, and those in some chosen elements of organisational culture. Building on Schein's definition, the Competing Values Framework and Gordon and Whitchurch (2010), they assume that where university governance moves towards managerialism, a shift towards market, or corporation orientation in university culture can be detected. To investigate this, the comparative case study design is applied to explore the experiences of a Finnish and Hungarian university which have undergone the transformations for some years now. Data were collected by various measures which both enrich the quality of the research and indicate future investigative needs.

Overall, their results reveal intense pressure on both institutions for a corporate culture model, however, this is accompanied by some degree of resistance. Authority over decision making is increasingly transferred from academic staff to management, central control is strengthened by performance contracts and new performance evaluation systems, academic self-governance is increasingly seen as undesirable, while a competitive spirit is more (Finnish case) or less (Hungarian case) effectively promoted. This leads the authors to conclude that a foundation model of university governance has resulted in the emergence of a corporation organisational culture at both institutions. Still, there are individual variations: in the Finnish case it is unclear if a previous merger, or the governance reform had made a decisive impact on the cultural change, whose new set of values has not been accepted unanimously. The Hungarian university has turned towards the corporate culture model along with an authoritarian management style, which has been greeted with strong academic dismay and a yearning for either the clan, or the entrepreneurial culture models. In conclusion, the authors suggest further research on the possible factors against the corporate transformation of organisational culture, and its generational acceptance by the academic staff at the two universities. Thus researchers may detect how strong the link between the governance turn and the culture change is, and how inevitable the latter is.

All the papers in the special issue highlight the fact that there is no one-size-fits-all solution to higher education governance reforms and that such reforms always have unintended and unplanned consequences (e.g. Broucker, Ursin, Dal Molin, & De Wit, 2022). Therefore, the papers call attention to further impact analysis of governance reforms. We hope that the special issue will inspire both higher education and organizational change researchers to follow up on their results, and further enrich our understanding of the contemporary landscape of the European Higher Education Area.

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