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Higher Education Management in the Time of Corona: Reconsidering the Predominant Paradigm in the Light of the Crisis

Abstract: The pandemic has been (and continues to be) a challenge to public services globally. It revealed that public services that are managed under a neoliberal agenda and thus are evaluated against their cost-effectiveness, are threatened to fail delivering appropriate services to those in most desperate need. This can also be transferred from health care systems to other segments of public services, like education. The paper discusses the features and potential shortcomings of current management paradigms and emerging trends that could help aligning public service management better with the demands of their clients and with changing environments.

Keywords: New Public Management, cooperation, market-competition, trust, agility

摘要 (菲利普·波伦兹：新冠状病毒时期的大学管理：根据危机重新考虑流行的范例)：大流行已经（并将继续）对全球公共服务形成挑战。它表明在新自由主义议程下管理的公共服务因此受到了成本效益的评估，并受到威胁而无法向最迫切需要的人提供适当的服务。这也可以从卫生保健系统转移到其他公共服务部门，例如教育。本文讨论了当前管理范式的特征和潜在缺陷以及正在出现的趋势，它们可能会有助于使公共服务管理更好地与其客户的需求和不断变化的环境保持一致。

关键字：新公共管理，合作，市场竞争，信任，灵活性

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Zusammenfassung (Philipp Pohlenz: Hochschulmanagement in Coronazeiten: Das vorherrschende Paradigma im Lichte der Krise überdenken): Die Pandemie war (und ist auch weiterhin) eine Herausforderung für die öffentlichen Dienste weltweit. Sie hat gezeigt, dass öffentliche Dienste, die im Rahmen einer neoliberalen Agenda verwaltet und daher nach ihrer Kostenwirksamkeit bewertet werden, Gefahr laufen, denjenigen, die sie am dringendsten benötigen, keine angemessenen Leistungen zu erbringen. Dies kann auch vom Gesundheitssystem auf andere Segmente der öffentlichen Dienste, wie das Bildungswesen, übertragen werden. Das Papier erörtert die Merkmale und potenziellen Mängel der derzeitigen Managementparadigmen und die sich abzeichnenden Trends, die dazu beitragen könnten, das Management des öffentlichen Dienstes besser auf die Anforderungen ihrer Kunden und auf sich verändernde Umfelder auszurichten.

Schlüsselwörter: New Public Management, Kooperation, Markt-Wettbewerb, Vertrauen, Agilität

Резюме (Филипп Поленц: Менеджмент высшей школы в период пандемии: К вопросу о необходимости переосмысления существующей парадигмы в условиях кризиса): Пандемия стал (и продолжает оставаться) вызовом для многих общественных структур во всем мире. Она показала, что те структуры, которые управляются в рамках неолиберальной повести дня и соответственно оцениваются по показателям эффективности затрат, рискуют не оказать необходимых услуг тем, в ком они особенно остро нуждаются. Эту мысль можно экстраполировать с системы здравоохранения на другие сегменты общественной жизни, в частности, образование. В статье рассматриваются признаки и потенциальные «погрешности» современных парадигм управления, обозначаются тенденции, которые могут повлиять на оптимизацию менеджмента общественных структур под нужды клиентов и трансформационные процессы, происходящие в тех или иных значимых общественных секторах.

Ключевые слова: модель реформирования общественного управления NPM, кооперация, рыночная конкуренция, доверительная база, динамичность

1. Introduction

The corona pandemic had (and continues to have) a huge impact on education in all its forms in most countries of the world. The lockdown of societies in early 2020 also revealed that management models for public services hit the limits of their effectiveness. This was particularly true for health care systems, but also for educational services. In a situation that required coordinated action and cooperation, public services that were managed under a neoliberal and thus exclusively competition-oriented and cost-effectiveness driven management paradigm, were highly challenged to deliver the needed services to their target audiences and the clients in need.

The consequences of the gap between provision and demand were not as life-threatening in the case of the education sector as they were in the case of health systems around the globe. However, in the sense that the pandemic is a learning experience for a range of societal actors, it could also be used as an opportunity to reconsider the modes in which education services are delivered in contemporary societies.

The present paper uses the case of higher education as an example because here the contrasts between the market-driven and competition oriented New Public Management paradigm on the one hand and a traditional self-conception of the academia as a self-responsible “professional bureaucracy” (Mintzberg, 1979) become most obvious. The present paper thus explores the debate on New Public Management in higher education and its meaning for contemporary higher education systems and for science systems in their entirety. It uses the pandemic as a reference point to identify what the limits to current management paradigms are and how these could further develop in the light of changing demands and societal expectations towards higher education and science as societal sub-systems.

2. University Management in the Time of Corona

What will be imprinted in the memories of societies when the story of the early 2020 corona virus pandemic is to be told? It was a time, when societies rediscovered the need to act jointly and coordinated in order to fight back a common enemy. In many countries a range of measures was enacted with the aim to protect the most vulnerable: orders to make people wear face masks, to keep social distance, and the like were issued for the sake of stopping the virus spreading. Differing from country to country, these measures were to be taken at a voluntary basis or more or less obligatory. However, their comprehensive execution – and thus their effectiveness - required the cooperation and participation of almost everybody. Most people – at least across Europe - accepted these measures for the sake of their own safety and the one of their fellow citizens, regardless of individual costs and disadvantages that needed to be accepted. Notwithstanding the fact, that this high level of acceptance for the lockdown measures apparently changed in the course of 2020 (resulting in an immediate return of the virus...), during the peak of the pandemic in Europe, there seemed to be a sensitivity to act coordinated and with some sensitivity for the needs of others.

Nonetheless, this almost romantic description of the state of mind that many societies were in during the peaking pandemic, is contrasted by observations that could be made concurrently: people were hoarding disinfectants regardless of their limited availability for those in highest need, and some were having “corona parties” in restricted public areas, not taking care of the risk to create super-spreading events.

This pendulum movement between solidarity and egoism lends itself to be applied to the debate on how higher education and science are managed and on the changes that university management has experienced in the last almost 40 years under the New Public Management paradigm. This neoliberal reform agenda had replaced different forms of collegial self-management since the 1980s. It would of course be a superficial analysis, if one would state that New Public Management oriented forms of university governance stand for egoism and the traditional forms of academic self-management for solidarity instead. For instance, the concept of competition has not been introduced as lately as 40 years ago into university life and into what drives scientists and their pursuit of new knowledge. However, what was indeed new to university management was the concept of *market*-competition, in which cost-effectiveness had been introduced as a major criterion for the assessment of universities' accomplishments.

The debate on New Public Management and its potential harm to academic principles of collegial self-management and the nature of the university as such, has been a permanent companion of the respective reforms, and it is still pending (Abraham, 2017). Considering the existence of a huge body of literature on the topic, the present paper is not going deeply into the details of public management thought. It rather provides a short overview of the discourse and considers university management strategies in the light of the current global “game changing” situation.

2.1 The Essence of New Public Management and Criticism of the Concept

Originating from “Thatcherism”, British Prime Minister Margret Thatcher’s neoliberal reform agenda in the 1980’s, the concept of New Public Management has found its way into the thought on management reform in public services globally. A precise definition of what New Public Management is, is still lacking, thus it is described as “disperse set of ideas on how to modernize the public sector, increase its efficiency and in general improve its performance” (Hood, 1991). However, the essence of the concept can be condensed to the following aspects (Pausits et al., 2014):

(i) The state is withdrawing from detailed management (in the present context: from the detailed management of higher education institutions, e.g. with regard to their decision to provide specific study programmes and on respective internal regulations);

(ii) Autonomy and self-responsibility is granted to the individual institution, combined with a strengthening of the central management’s (Rector’s, President’s) decision power and a weakening of collegial bodies of traditional university self-management (Senates, Faculty Boards);

(iii) Autonomy is also combined with accountability of the institutions for their outcomes and achievements and with the need to justify these outcomes to a sceptical public audience which demands more transparency with regard to public expenditures. Proponents of management reforms drew the picture of an “arrogant bureaucracy, poor performance and lack of accountability in public organizations, wide spread corruption” (Minogue et al, 1998) in order to push forward the neoliberal agenda;

(iv) Outcomes and achievements are measured against quantifying indicators (e.g. numbers of graduates per year; numbers of journal articles, published in high ranking journals; etc.) in order to make the achievements of different institutions comparable, for instance with the help of rankings;

(v) Universities are thus transformed in to “market-players” which are competing for the brightest students, the most talented researchers that help them lifting their ranking position, etc.

(vi) As market participants, universities are deciding by themselves which academic mission to pursue, which research questions to address, which departments to suspend, etc. However, the decision power tends to be shifted away from lower (operational) levels (i.e. departments) to central management levels (i.e. Rectorates).

Ferlie et al. (2008, p. 335 cited in Andresani, & Ferlie 2006) summarise New Public Management’s (NPM) central features as follows: “NPM relies on (1) markets (or quasi markets) rather than planning, (2) strong performance measurement, monitoring and management systems, with a growth of audit systems rather than tacit or self-regulation and (3) empowered and entrepreneurial management rather than collegial public sector professionals and administrators.”

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All of these features have evoked criticism and strong opposition against the concept in its entirety (Abraham, 2017) and have drawn the attention to particular aspects of risk, for instance the non-intended consequences of the quantifying reward logic based on performance based indicators (e.g. Cuganesan et al., 2014). The most prominent respective positions and counter-arguments refer to

(i) unintended consequences of a (mostly quantifying) assessment logic and respective rewarding schemes: opportunism (e.g. grading leniency; Greenwald, & Gillmore, 1997) and the pursuit of predictably rewarding academic activities are stimulated at the expense of academic diversity and the willingness and motivation to pursue ‘risky’ research projects of uncertain outcome;

(ii) the pre-assumed ‘linear causality’ of the input of resources and expected outcomes as a basis for the assessment of a university’s cost-effectiveness does not take sufficiently account of the complexity that can be found in a professional organisation like a university, where in contrast a high degree of ambiguity and unpredictability of any activities’ results needs to be processed;

(iii) in the sense of a 'principal-agent problem' (e.g. Grosmann, & Hart, 1983) the main promise that had been made by New Public Management, namely to unleash universities from their bureaucratic boundaries, was not kept: indicator-based control regimes are becoming more and more small-scaled instead of getting more and more relaxed. Since the self-governing universities (agents) try to maintain the informational asymmetry between the principal and the agent to their advantage, they tend to undermine the legitimate monitoring role of the State or of any other governing body in charge (principal). By doing so they evoke an increasingly small-scaled monitoring system;

(iv) the competition-oriented mode of assessing academic achievements stand in contrast of the Mertonian notion, in which science is a shared endeavour and thus does not allow to attribute scientific progress immediately to the individual excellency of a person or institution (Merton 1973). In contrast, according to the Mertonian notion, every new cohort of scientists relies on the works and accomplishments of their predecessors or "sits on the shoulders of giants" (Merton, 1965).

Why are these considerations regarding a particular management paradigm's suitability relevant for the discourse on the impact of the Covid 19 pandemic on how (higher) education systems are (or should be) developing? The answer is that the pandemic showcases that New Public Management trains actors (individual and corporative) to perceive each other as competitors only and thus in a mode of distrust, it may be not a good advisor in order to respond in situation were cooperation, coordination and mutual trust are vital features of social acting.

New Public Management could be interpreted as a legacy of the industrial age, in which cost-efficiency, productivity ratios, linear relationships between input and outputs/outcomes as well as the competitiveness of products and industries were major determinants for economic success of enterprises and were thus determinants for the viability of modern, functionally differentiated societies. The notion of the transition to a post-industrial economy and society in contrast, is of course nothing new (e.g. Esping-Anderssen, 1999; Nisnevich, & Ryabov, 2018). The increasing importance of knowledge as a source of value production and the emergence of knowledge societies have long been debated (Boehm, & Lang, 2009; Stehr, & Meja, 2020), and so has been the role of human capital for an economy that is becoming more and more dependent rather on creativity than on the classical production factors (labour, machines, etc.). As a result of such transition, the traditional values of industrialism, such as cost-effectiveness, productivity, etc. are challenged in an age of knowledge and information. If these assumptions hold true, also new management paradigms are needed, not only for the economy, but also for public services. These would have to take account of the more tacit assets and success factors of employees and production processes, namely communicative competencies, trustworthiness, etc.

In the sense that not only economies but also societies have left the industrial age behind and transform into knowledge based societies (Stehr, & Meja, 2020), it becomes obvious that coordination and cooperation are more promising responses also to societal challenges, than competitive struggle. Coordination and cooperation are needed in order to unfold the full potential of knowledge and they do better acknowledge the nature of knowledge as a resource that continuously develops, based on shared efforts and mutual communication of producers.

The corona pandemic is emblematic for this societal change and the needed reconsideration of management principles which is emerging: While in an industrial age it was possible to set 'a-priori criteria' to assess the effectiveness of a process, in a situation of constantly and dynamically changing circumstances and requirements, also the criteria against which accomplishments can be evaluated need to be kept flexible: In the time of the corona virus recommendations for individual behaviours in public are permanently changing, travel bans need to be released and can be lifted the next day or even be aggravated the day after. The respective decisions at local and national levels require proper evidence and sound knowledge, but at the same time error tolerance and a sensitivity for the provisional nature of findings and communicational skills of researchers that explain the processes and results of knowledge production under uncertain conditions. Particularly the latter would not be acknowledged in a quantifying reward logic of the current management schemes.

What's thus needed in order to respond properly as a society but also as a science system to global challenges like the pandemic is flexibility, adaptability, and a mutual exchange of knowledge to enable joint efforts to handle social threats appropriately.

If these assumptions hold true and an unprecedented degree of ambiguity and uncertainty is the main feature of the "new normal", science as such needs to be reconsidered or to be 're-transformed'

to pursue its original mission, namely as a space where the unthinkable can be thought without cost-benefit considerations and for the long-term benefit of societies. Such self-conception contrasts the current control regimes in which evaluations, audits, rankings, accreditations, etc. are in the worst case hampering innovation by predefining indicators for desired outcomes of research and teaching activities. These contradictions between the self-conception of science as a specific social sub-system and the reality of the approaches to its management in most modern societies, makes the resistance of large parts of the academia against current market-driven management paradigms easily understandable. However, that also means to address the question, what management paradigm would be more suitable to science and higher education in a post-industrial world.

3. What Type of Science and Science Management do we need instead?

The above-mentioned small-scale control regime with its tendency to standardise processes and products for the sake of their comparability can be regarded as a distrust in the professionalism of the professionals under the respective control instruments (Bringselius, 2017). Particularly, in the case of professional organisations such as the sciences system, trust in the actors' professionalism and their capability to act and to decide properly in situations of complexity and ambiguity, led by expertise and evidences, is of significance.

Future debate on a suitable management design for public services in general and professional organisations like universities thus needs to operationalise trust and how it can be made a feature of management practices. The concept of trust-based management has gained some prominence in the public management literature. Trust-based management is discussed as a potential alternative to New Public Management (Bringselius, 2017). A tentative definition of what trust-based management could be and what it could look like is presented *ibid.*:

“Trust-Based Public Management is governance and management control models focused on the needs of the service user, where each level of the policy process actively promotes delegation and coordination and attempts to secure its trustworthiness based on ability, integrity and benevolence” (Bringselius, 2017, p. 3).

In detail this means that (i) management responsibility for processes of the service provision is shifted back from the central management level back to the more local ones, in order to closer align them with the immediate ‘needs of the service user’ and to secure needs-based flexibility and innovativeness. Moreover, it is emphasised that (ii) in trust-based management paradigms, margins of discretion are assigned to the operational level of the service provision (‘delegation’) and that network-like coordination (‘coordination’) in the sense of a holistic inclusion of different types of expertise and knowledge bases, contributes to taking a problem-solving perspective. Finally, the characteristics are elaborated which are the basis for the trustworthiness which is expected to be placed in the professionals (‘trustworthiness based on ability, integrity and benevolence’). Their abilities are found in their problem-solving capacities and expertise but also in their operational scope for action. ‘Integrity’ means the congruence between announced principles and actually performed actions and benevolence is the extent to which professionals show empathy for the needs of their clients.

Unlike the contemporary more control-oriented and summative indicator-based evaluation schemes, the trust-based approach places more emphasis on processes. In this sense it is comparable to management principles that introduce agility. Originating from software engineering as a concept, agile development or management means that processes of producing goods and services are adaptive to changing needs of the clients and target audiences (Serrador, & Pinto, 2015; Moniruzzaman, & Hossain, 2013). Consequently, the goal of a production (or design) process is continuously adjusted to volatile circumstances in the course of production, problems are solved as they occur, and the unexpected is appreciated and included in the design and production process. Such approach is clearly in contrast to existing management approaches that predefine the outcomes of a process and values any deviation from the respective time-, resource- and work planning as failure and misfortunes. However, when thinking of the requirements that the current pandemic situation imposes on public service providers and given the respective volatility and uncertainty, it seems to be reasonable to further discuss the transfer potentials of the comparatively new management paradigm of agility from software engineering and management in the private sector to public services in a range of

fields. This could allow not only health services but also educational services to respond more appropriately to challenges as they occur.

4. Discussion

The fact that modern societies that have left the industrial age in their self-conception and consider themselves to be knowledge societies, but still apply management paradigms that originate from the industrial era, shows the need for a catch-up development and an alignment of management approaches with new demands and realities. Trust-based management and agile management principles may not be fully transferable to university governance or may be producing new conflicts and shortcomings. However, they could serve as a starting point for the task to develop management paradigms beyond New Public Management.

The pandemic has created a new reality and does reveal the need to develop management approaches to a 'post-market competition era'. Many segments of business and economy have already successfully introduced new approaches to management which are better in line with the demands of a new era. Unsurprisingly, the university governance sector is not a forerunner in this regard. Nonetheless, it would be worth considering to take first steps and to put theoretical thought in the field of public management into its practice. In the sense that universities as – mostly - publicly operated organisations and as places of systematised reflection should use the freedom they enjoy to at least experiment with new forms of performance measurement, e.g. by introducing assessment schemes that require more qualitative judgements and by using indicators that take more account of the 'what?' instead of the 'how much?'

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