

During the lengthy boom phase, genuine prosperity (rising real economic indicators) and apparent prosperity (paper asset values rising faster) combine to lull management into the belief that they can afford to relax their vigilance over costs of production and labour productivity rates. Business thickens at the waist as extra levels of middle management are added and trade unions arrange to have ingenious labour padding devices written into awards, thus increasing employment levels at the cost of lower productivity. Academia is not immune: money flows into university coffers (remember Gough Whitlam?) and out again as higher salaries paid to more teaching and administrative staff in better offices.

Following the post-war slump from a cyclical peak, those who own and manage the real economy's productive assets now feel it is too risky to keep on investing in new facilities at the high rates that prevailed during the upswing, despite the initial labour-shedding adjustment. Demand has levelled off and confusing signals about the values of their businesses keep coming from the markets for paper assets. What happens during this 8 to 12 year plateau phase is that paper values become totally divorced from real values as an orgy of speculation develops in the financial markets: the Tokyo speculators of the 1980s were infected by the same madness as the New York speculators of the 1920s. Eventually the bubble bursts and a painful period of asset value deflation ensues, with businesses failing, governments falling, millionaires bankrupted and homeowners defaulting on their mortgage contracts.

In the real economy, entrepreneurs now face uncertainty, not merely risk. If they kept expanding at even the low recessionary plateau rate, they would be giving hostages to fickle fortune and might sink their businesses. The recession rapidly deepens into a depression as the owners and managers of real productive facilities go catatonic in the face of uncertainty. The basis for making robust forecasts of profitability to justify business expansion (i.e. a set of stable values for inputs, outputs and facilities) has been completely sheared away!

Only when paper asset values have been deflated into equality with their underlying real asset values (based on productivity and prices of inputs and outputs) does a rational economic calculus again become possible. Once profitability forecasts begin to firm, expansionary investments get underway and a new upswing commences.

Such, then, is how the long broad tapestry of world economic history can be blocked out since the early stirrings of the Industrial Revolution, from when Kondratieff dated his first long wave. The details change but the basic pattern has remained the same.

Those core countries which successfully deflate paper asset values

into equality with the underlying real asset values, lighten the heavy load of debt accumulated during both the upswing and the feverish speculative phase following the post-war slump, slim down the middle management spread and design productivity-enhancing labour contracts, will participate in (indeed, help generate) the coming boom phase of the Fifth Kondratieff - the biggest and best of them all.

Those core countries which have not restructured their economies will suffer the same fate as Argentina, which refused the challenge after 1929 and was cast out of the First World and into the Third. Argentina took no part in (and gained little benefit from) the long boom which began around 1936.

If educationists on both sides of the marketisation question studied the Kondratieff model, it might help focus the debate. In particular, rhetoric and evidence drawn from higher education during the 1936-73 upswing is quite irrelevant to our present circumstances: the final year(s) of the cyclical slump.

I say: Go back and see how your forebears handled the great post-1919 and post-1929 debates about the future of higher education. Who won? How? Why? Cambridge has already made its decision. What will Australia's be?

References

- Elliott, David 1986, *Kondratieff Cycles*, Milton Keynes (Buckinghamshire), Open University Press.
- Goldstein, Joshua 1988, *Long Cycles: prosperity and war in the modern age*, New Haven, Yale University Press.
- Kondratieff, Nikolai, *The Long Wave Cycle*, translated by Guy Daniels, New York, Richardson and Snyder 1984.
- Pope, David 1988, *Long Waves and the crash of '87*, Canberra, ANU.
- Reijnders, Jan 1990, *Long Waves in Economic Development*, Aldershot, Hants, England; Brookfield, Vt, USA, E Elgar.
- Richardson, Colin 1991 'Some Desirable Extensions of Economic Theory', *Economic Papers*, 10(4), December 1991, pp 59-69 (and esp. pp 66-68).
- Shuman, James and Rosenau, David 1972, *The Kondratieff Wave*, New York, World Pub
- Solomou, Solomos 1988, *Phases of Economic Growth, 1850-1973: Kondratieff waves and Kuznets swings*, Cambridge (Cambridgeshire), Cambridge University Press
- Williams, Sir David 1993, 'Address to the Regent House by the Vice-Chancellor', *Cambridge*, (31), Winter 1992-93.

Centralised decentralisation: Sloanism, marketing quality and higher education

Peter Watkins

Deakin University

Introduction

Currently, higher educational institutions are going through a managerial restructuring whereby a large range of administrative functions are being decentralised to the lower rungs of the organisational hierarchy. Funding of staff, services, cars, communications and support are now being relocated at the points of academic production, the departments or schools. But this seeming decentralised autonomy has been set within strictly centralised policy objectives and guidelines prescribed by the upper echelons of university management. This centralised management team has expanded greatly in recent years with the creation of pro-vice chancellors, deputy-vice chancellors and a plethora of other senior management, all in times when the drive for fiscal restraint is foremost. But it is this very ideology of fiscal restraint, coupled to notions like 'efficiency', 'productivity' and 'marketability', which is bearing down on academic workers. Moreover, the links between education and industry are not merely at the rhetorical level but are part of actual institutional practice. Indeed, Deakin University, for instance, has a Business Education Partnerships program which includes joint teaching and research projects, publications and work placements for students and graduates (Deakin News 1993, p.3).

Further, at the national level, the Commonwealth Government has been concerned to foster tighter university and industry connections so that Australia might be more competitive in the global market place. Thus university teaching and research is subsumed within a market ethos. The market-place, and more implicitly the demands of industry, are increasingly taking precedence in the direction of research. The research which is funded and the teaching which gains greatest credence has become increasingly tied to the production of a knowledge which is marketable rather than a knowledge which is directed to improving society. This trend toward the marketplace and the organisational strategies employed by business to create and satisfy markets is the focus of this paper. Accordingly, it starts by briefly looking at the current moves to tie higher education more closely to the ethos of the business world. Next, it suggests that the organisational model being adopted in higher education owes much to the model first set in place at General Motors by Alfred Sloan. The paper shows how this organisational strategy was closely integrated with a marketing policy which introduced techniques like market research and market analysis. After placing the current developments in some historical context, a brief critique is offered of these policies. Finally, these issues are brought together in the most recent emphasis in higher education, the marketing of organisational quality.

Tying higher education to the organisation and markets of business

Buchbinder and Newson (1990) suggest that the linkage between the university and industry is essentially two sided, having at its base the assumption that certain academic work is of marketable value in the commercial world. On one side is the 'inside-out' movement which signifies the attempts by the university to market its academic wares in the market. By moving out, the university itself becomes a player in the market place. Academic researchers and scholars become entrepreneurial in endeavouring to sell their research skills, their findings and their scholarly publications. On the other side is the

move of 'outsider-in', which is marked by the infiltration of the university by outside business firms interested in the commercial value of particular university research. Buchbinder and Newson argue that this gradual movement into university life provides companies with 'a window on ongoing research, a means of influencing the direction of such research, and access to marketable products based on the research' (1990, p.357). Similarly, Marginson (1993) also sees a shift in the balance between market and non-market elements of university research, especially in the areas of biomedical technologies, engineering and computing.

But this shift from the production of knowledge coming from intellectual inquiry to knowledge which is produced in response to the current commercial whim of the market carries with it problems of secrecy. If the knowledge generated in certain faculties of a university is to maintain its commercial viability in the market then access has to be limited to ensure its market value is realised. Langford, in discussing this problem, notes that:

The real importance of the changing approach to intellectual property ownership is that it is part of a wider process of change which threatens to transform the university from an open, inquiring and relatively free institution committed to the widespread dissemination of knowledge to a closed, secretive institution preoccupied with the commercial and security concerns of its private and public sector partners. (1991, p.156)

Langford concludes that the increasing involvement by universities in the seemingly lucrative gold-mine of private industry and commercial markets is, in the end, damaging to their health. He asserts that the aim should be to regulate and structure any linkages to commercial markets so that the traditional relationships of universities based on collegiality are maintained. For as Marginson (1993) points out 'market-defined objectives are mingled with other concerns, or are completely absent, and motives other than market rationality come into play, such as the academic commitment to scholarship and to pastoral care, or the need to provide equality of opportunity' (1993, p.44).

However, the structures which are evolving in universities tend to be following a corporate structure which scholars like Langford (1991) and Buchbinder and Newson (1990) argue is to their detriment. Policy making and planning have become more highly centralised with the senior academic/managers taking on the language of 'efficiency', 'productivity', 'quality assurance and management', 'profitability' and 'accountability' espoused by their counterparts in the business world. In both the academic and the business world, this centralisation has been combined with a decentralisation where financial responsibility, industrial relations, staffing and marketing the academic product has been pushed down the line to the operating units of the departments or schools. Buchbinder and Newson (1991) argue that 'This institutional transformation has been premised on the expectation that the new income generated from more efficiently targeting resources to needs, would assist the university in dealing with its deteriorating quality and inability to respond to demands. However, this transformation has only exacerbated problems of quality and a deteriorating academic climate' (1991, p.25).

Nevertheless, there are constant demands that educational institutions, at all levels, should follow the path of restructuring that

corporations have taken (NBEET 1992, Webb 1992). Loton (1991), the President of the Business Council of Australia, has outlined a similar advocacy. He has asserted that the management lessons of business need to be applied to education systems so that their performance orientation can be improved. He further argues that in the business world there has been a rejection of the large, monolithic corporation where there has been a loss of control as less efficient components are able to hide or obscure their performance within the complexity of the large body. Accordingly, Loton (1991) argues that in Australia the large corporations have responded to increasing competitive pressure from national and international markets by pushing decisions away from the centre. This enhances responsiveness to the constantly changing demands of the market-place and speeds up reaction time to those changes. Inherent within the principle of co-ordinated decentralisation is that responsibility for meeting agreed performance targets is pushed down the line and vested in divisions and individual operating centres. These centres must then be given the requisite authority to meet the targets and policy goals set by the central organisation. But, in language which makes it still clear that real power is still at the centre, the Business Council has proclaimed that 'In no way does this result in operating centres having licence to do as they please. Thorough reporting procedures ensure this does not occur' (Loton 1991, p.15).

It is argued in this paper that the structural changes indicated above are manifestations of the management philosophy of Alfred Sloan (1964). Sloan restructured an ailing General Motors around a notion of co-ordinated decentralisation whereby a limited degree of autonomy was given to decentralised production units. The managers and workers of these units then had to create, scientifically manage and respond to the opportunities and success bestowed by the 'market'. Nowadays such a centralised decentralised structure is to be driven by Total Quality Management, a management strategy largely derived from the Japanese. In this strategy the university is made up of a multiple of markets inhabited by producers and consumers. For instance, if academic A produces a paper for academic B's monograph, A is the producer and B the consumer. If the consumer is unhappy with the product then another producer can be found. When the papers are collected and passed on to the editor academic B is the producer and the editor the consumer and so on and so on. Thus all workers are involved in market relationships hopefully producing quality products for their colleagues in what is termed a quality chain. However, analysts such as Stephen Waring (1991) suggest that such superficial attempts to foster greater worker involvement in management does little to alleviate the sense of powerlessness endemic to modern organisations but rather may accentuate it.

Centralised decentralisation

While it may be argued (Codd 1993) that there is a fundamental conflict between the trend in sectors of education towards greater local entrepreneurial decision-making and the trend towards stronger mechanisms of accountability and centralised control, this paper suggests that this may not be the case. Indeed, if there are any contradictions in centralised decentralisation, these were long ago addressed and seemingly dispelled in the management philosophy that Alfred P. Sloan brought to the restructuring of the General Motors Corporation in the 1920s. Consequently, any critique of the move towards the setting up of decentralised university faculties and departments marketing themselves within a centralised university framework, would be well advised to examine the formation of the management philosophy on which the administration of General Motors is based.

Co-ordinated decentralisation

Alfred P. Sloan became president of the General Motors Corporation in 1920. The du Pont family, who had the controlling interest in General Motors, had become convinced that Sloan's plans to reorganize the company would rescue it from the financially disastrous situation in which the autocratic approach of his predecessor had put it.

Sloan went on to outline his approach to management in the classic management volume *My Years with General Motors* (1964). In this text he argues that through his managerial strategy the apparently contradictory notions of decentralisation and centralisation have been reconciled by means of decentralisation with co-ordinated control. Through this process Sloan claims that apparently conflicting elements in an organisation can be brought together. Decentralisation can give the organisation greater flexibility, more responsibility for the tough decisions at the local level and greater scope for entrepreneurial initiative on the part of local management. However, without co-ordination the smaller units might 'get out of hand', being without adequate control and failing to follow the policies and strategies deemed appropriate by top management. Consequently, Sloan stresses that the managers of these decentralised operational units must make sure that their methods and results are consistent with the corporation's general policies. They also must be subject to close scrutiny and evaluation by top management with regard to their performance and products. Further, any moves to deviate from the central policy and evaluative guidelines must, indeed, be given the 'all clear' by the central body.

Basically, Sloan's management strategy employed a model of organisational relationships which emphasised centralised control of decentralised operations. In doing this Sloan separated the Planning Department completely from the point of production, whereas Taylor had only removed it from the shop floor. Dale, in an examination of the administrative techniques of Sloan, suggests that his philosophy was founded on two premises:

1. *The responsibility attached to the chief executive of each operation shall in no way be limited. Each such organisation headed by its chief executive shall be complete in every necessary function and enabled to exercise its full initiative and logical development. (Decentralisation of operations)*

2. *Certain central organisation functions are absolutely essential to the logical development and proper coordination of the Corporation's activities. (Centralised staff services to advise the line on specialised phases of the work, and central measurement of results to check the exercise of delegated responsibility). (Dale 1956, p.41)*

This management strategy, while seemingly giving more autonomy to the decentralised units, actually avoids the marked loss of control, loss of authoritative communication, and loss of managerial scrutiny which are to be found in large monolithic administrative structures. Moreover, the illusion of individualised units producing numerous diversified products actually masks the strong central control which is being exercised. In Drucker's (1946) terms the totality of the co-ordinated decentralisation concept invoked a 'new ordering principle' whereby top management makes the overall policy decisions while also carefully evaluating and measuring the performance of the operating units. In turn, each operating unit is given a particular clientele and market within which it operates and competes, not only with other companies but also with other units in the same company. Such activities are constituted as providing a perfectly rational way of organising the economic activities of the company.

Constructing the market

But Sloan was not only concerned with the reorganisation of car manufacturing, he was also concerned to create a consumer market that would buy the products coming from his decentralised operational units. To this end he applied the precepts of scientific management to the constructing of a popular market for cars. In doing this, he took the advice of Casson (1911), a follower of Taylor's principles of scientific management, who realised that 'what has worked so well in the acquisition of knowledge and in the production of commodities may work just as well in the distribution of these commodities' (1911, p.71). Sloan took up this challenge to apply a disciplined rational approach to the selling of cars. Accordingly, GMC started to make economic studies of the community, examining its potential as

consumers in terms of population characteristics, income, styling preferences, colours, etc. The data collected on the community was then broken down on a neighbourhood basis again to determine the potential consumer base of the constituent parts (see Sloan 1964, Chpt. 16). Thus, as Perrow (1986) clearly indicates, Sloan's innovations were not created as a result of a particular environment but, conversely, they were intended to create an environment of constructed consumer wants.

The scientific calculations toward greater efficiencies and effectiveness which Taylor had applied to the production process were now applied to the selling of the goods. It was in following this rational approach to business that Sloan instigated the scientific and systematic gathering, processing and analysis of information which would optimise consumption. Market research and market analysis became important aspects of selling, where the preferences, habits, beliefs and incomes of families suddenly came under close scrutiny. The resultant efforts to orchestrate people into consumers saw Sloan introduce advertising campaigns, new models, new images, styling changes and brand identification in an attempt to package the goods in a way that would prompt people to consume. In this way Sloan sought to shift the ideals of scientific management from the scientific training of the worker to the scientific training of the consumer. A rational scientific approach to marketing was seen as a necessary complement to the scientific, rational organisation of work. 'Science' was employed not only to intensify the consumption of products but also to construct consumer wants and lifestyles, shaping them to corporate needs. Williams notes that 'while a large part of our economic activity is devoted to supplying known needs, a considerable part of it goes to ensuring that we consume what industry finds it convenient to produce...it becomes increasingly obvious that society is not controlling its economic life, but it is in part controlled by it' (in Robins and Webster 1986, p.315). The expansion of the market and consumer capitalism marked a profound extension of rationalism into the everyday practices of people.

Braverman (1974) suggests that Sloan's attempts to rationally eliminate any uncertainties which the 'market' might hold in the selling of products meant that marketing, in fact, became dominant. The structure and direction of the production units in a company became subordinate to the styling, packaging and promotion campaigns emanating from the 'scientific' research into the way the purchasing preferences of the consumer were being channelled. In this vein, Braverman notes that 'the planning of product obsolescence, both through styling and the impermanence of construction, is a marketing demand exercised through the engineering division' (Braverman 1974, p.266). The construction of the consumer through the application of scientific management to the 'market' meant that the internal planning process of the enterprise became subsumed to marketing experts' efforts at social coordination and social planning.

The strategies and influences initiated by Taylor and Sloan may have, in former times, seemed remote from the provision of education. However, the situation has dramatically changed with the 'market', 'market forces' and the 'entrepreneurial academic' being part of the higher educational discourse. Firmly on the future agenda is the prospect that each faculty and school will go out seeking students, promoting its wares, in the hope of creating a body of consumers wanting to come in through its doors.

Responding to the market

In this section of the paper the limitations of treating higher education as a consumer good within a socially constructed market will be proffered. In doing so it must be stressed that markets originate by way of active social construction through competing interests located in the state, the private sector and individual citizens. But while the market and market relationships may have gained some ascendancy at the present time, their problematic nature should be recognised. For it can be argued that 'The deeper reality of market-driven change is that the continuing drive to maximising accumulation, whether for the few or in the name of national development, leads

step by step to a crippling social dependency for the many' (Drache and Gertler 1991, p. xv).

An important consideration in viewing education in market terms is an examination of the actual product being offered for consumption. In neo-classical economic terms a market operates at its optimum as the number of transactions are frequently repeated so that experience and information coming to the consumer is at its greatest. For instance, the texture of the loaf of bread which is bought at the shop may not be to the consumer's liking, so next time another brand is tried. But unfortunately the taste is too sweet, so another brand is sampled and so on and so on. However prospective students, as consumers of education, cannot frequently sample the 'products' on offer in the market of various faculties without having a detrimental effect on their education. Even if a particular university or faculty is chosen to the students' and faculty's satisfaction, will the students sample, in turn, the various units and lecturing styles so that an informed choice might be made?

Such an ideology of the market was at the core of the tertiary education policy that a future Liberal/National Party Coalition Government would have imposed on Australia (Kemp 1993). In its vision of education as an intensified commodity form, the environment of the educational sector would be subject to 'exposure to market signals'. This exposure would result in, especially in the tertiary sector, institutions competing with each other for students. These prospective tertiary students would be allotted national education awards (or vouchers) which would pay a proportion of the standard course fees. Moreover these awards would be tenurable at any of the accredited higher institutions in Australia. Thus students, faculties and institutions would be locked in an individual competition which stresses the private nature of education.

However, in answer to such strategies, Levin (1991) argues that we should distinguish between education as both a public and a private good. While parents and students have a right to decide the values and influences to which they should be exposed, a democratic society also has a right to ensure that it is satisfactorily reproduced and functions in a democratic manner through the provision of common sets of values and forms of knowledge. Consequently, any society has to be deeply concerned with the enhancement of the social benefits of higher education. However, it would seem that if tertiary education was provided solely on the aggregate of market choices exercised by students and particular university faculties, the result as a collective benefit would be extremely problematic. Kellner (1990) in arguing from the position of 'the prisoner's dilemma', suggests that in these circumstances the situation exists in which the pursuit of individual self-interest may in fact lead eventually to a worse result for everyone. The unfettered self-interest and choices of the individual may impinge on the opportunities of others to acquire a satisfactory higher education, so that the aggregate of individual choices in education does not lead to a position which is favourable to society as a whole. The privileging of the individual accompanied with the denial of the social; the negating of common experiences and the derision directed toward community aspirations has a most pernicious influence over society. Consequently, it may be argued that as universities generally and certain faculties in particular, go into the marketing business and even attempt to go 'up market', the competitive market orientation is likely to exacerbate social inequality by the very market process to foster ethnic and social class differences, and favour higher income families who are likely to find easier access into the higher status universities.

In addition, to press the latter point, the more prestigious universities and sought after faculties would be highly motivated to carefully choose amongst the students who sought to enrol with them. These institutions owe their status and competitive position in the market to the 'brand image' they project. The most popular universities and faculties would have to closely scrutinise prospective students' achievement tests, residential backgrounds, old boy/girl backgrounds, the family's socio-economic status as well as its social and educational attainments, to restrict its numbers. For if they did not do this,

opening their doors to all and sundry, including large numbers of the children of the poor and unemployed, their brand image of conferring 'quality', 'excellence', 'power', 'exclusiveness' and 'prestige' would quickly evaporate. As a consequence, in the long-term, there would be a decline in the net worth of a place in that faculty. So that such a situation might be avoided universities and faculties will even more sharply arrange themselves according to wealth, class and consumer sophistication in a quest to enhance their brand image and competitiveness in the market.

The rhetoric of the entrepreneurial university, marketing its brands for the benefit of consumer choice, confuses popular, well projected images of higher education with good education. But the history of marketing suggests that there are problems associated with such a position. One has only to recollect Ralph Nader's crusade against Sloan's own company for producing cars which were popular and superbly marketed but which were unsafe at any speed (Nader 1972). Similarly, with the videos Beta and VHS. The latter, although technically inferior, overwhelmed its opposition through popularity achieved through a highly skilful advertising campaign. Lastly, in these examples of confusing well marketed, popular products with good products, we can take the example of the gas and electric refrigerator. The gas refrigerators, compared to the electric, were virtually silent; they had fewer moving parts; they were easy to maintain and the operating costs of gas were much lower than electricity. But regardless of the obvious advantages of gas, the electric refrigerator triumphed. This occurred because General Electric poured huge sums of money into promoting its product. Outlandish advertising and marketing campaigns combined with more subtle public relations techniques associating the brand image with Hollywood stars were employed to create consumer demand (Cowan 1985). Moreover, we are still paying for the externalities generated by the victory of the electrical compression of refrigerants. These externalities, such as the hole in the ozone layer, confound the rationalist, neo-classical ideology that economic transactions between two parties have no impact on anyone else (Kellner 1990). Similarly, a well marketed, popular higher educational package may stimulate great consumer demand but it may, in the long run be detrimental to both the consumer and the community.

Marketing quality - total quality management

The problems discerned in universities of not properly meeting the needs of the industrial sector and the economy generally, have been thought to be solved through a commitment to excellence and quality. This trend can be seen in Australia through the publication of the document *Higher Education: Achieving Quality* (1992). This points out that while in the corporate world notions like quality assurance, quality audits and quality management have become commonplace, they tend to be missing from the management of universities. But the scene is changing. Some points of view in the document argue that the quest for quality in universities will lead to increased competition, more sophisticated versions of the 'Good Universities Guide' to facilitate consumer choice, enhanced student mobility and merit pay for outstanding academics (NBEET 1992, p.77). Quality is thus a marketing strategy which, through careful marketing research, will construct an image of quality to attract students of the highest standing. Thus it will be the universities with the most sophisticated Total Quality Management and greatest marketing resources and skills which will attract and only enrol the best students. In this way the hierarchy of universities which exists in Australia can only be reinforced. Webb is also concerned that:

Such an approach lacks elements of social accountability and may simply reward institutions which, perhaps because of favourable histories of funding and other advantages, can demonstrate that they now have high quality policies and procedures in place. No element of "affirmative" action, no element of encouragement, is involved for institutions which are disadvantaged by their funding, newness, or other factors but are otherwise efficient and potentially high quality. (1992, p.12)

Nevertheless, Webb is adamant that universities must compete in the international market. In securing a degree of competitive advantage universities must be seen as responding to both national and international market demands. He suggests that 'In view of this, universities must relate to concepts such as Total Quality Management and International Best Practice which currently permeate industry restructuring debates' (1992, p.11). However at this point, it would be best to pause and examine the notion of Total Quality Management in a little more detail.

In a standard text on Total Quality Management, Oakland (1989) argues that TQM is a means of integrating the whole activities of an organisation. Such strategies to promote quality are important, as it is quality which consumers are seeking in the marketplace. In this process of organisational integration, flexibility is important to ensure that all parts of the organisation work smoothly together. Through this flexible integration waste can be eliminated. As Oakland explains, 'TQM is a method for ridding people's lives of wasted effort by involving everyone in the processes of improvement; improving the effectiveness of work so that results are achieved in less time' (1989, p.15). But this wasted effort can only satisfactorily be eliminated with the help of the organisation's employees through structures like work teams or quality circles. Thus the emphasis of TQM is to change the culture of organisations so that the employees continually are offering advice to management on how to eliminate waste; on how to work more efficiently and how to improve the quality and hence marketability of the organisation's products. In this change of culture, 'TQM is concerned with moving the focus of control from outside the individual to within; the objective being to make everyone accountable for their own performance, and to get them committed to attaining quality in a highly motivated fashion' (Oakland 1989, p.26).

This change of culture has both an internal and an external dimension. All organisations, even universities, it is claimed (Oakland 1989), may be viewed as having internal quality chains. This involves breaking down the relationships in the university to the point of a supplier/producer and consumer relationship. Marketing is important here for the producer/supplier has to not only understand the needs of the consumer but also to assess his/her own ability to meet the consumer's demands. For instance, in adequately researching their market 'do the secretaries establish what their bosses need - error-free typing, clear messages, a tidy office? (1989, p. 5). The quality chain of TQM in this way requires that employees internalise the need to provide an assurance of quality at every producer and consumer interface within the organisation. However Oakland (1989) points out that this process is best put in place through a teamwork approach. He argues that when they are properly managed, teams of employees will have the ability to solve problems quickly and economically. He stresses that 'Teamwork throughout any organisation is an essential component of the implementation of TQM for it builds up trust, improves communications and develops interdependence' (1989, p.236). In this regard structures like 'quality circles can produce shop floor motivation to achieve quality performance at that level' (1989, p. 253).

This theory of management has been applied to Australian universities in Warren Piper's *Quality Management in Universities* (1993). Here Warren Piper argues that the characteristics outlined above fit in well with the ethos of a university where control is largely internalised by the academics. He points out that 'The main incentive for improvement is an individual's own self-respect. A commitment to high standards is maintained through the social pressure of working with colleagues who are jointly committed to a high quality product or service' (1993, pp.97-98). Throughout this discussion of TQM, quality is set against the marketplace with education being a product, students being external customers and other academics and colleagues being internal customers of an academic's product. As a document or paper is passed along to other colleagues these are seen as customers in the internal university marketplace.

Total control

Critics of the Total Quality Management approach claim that it embodies an attempt to foster the internalisation of the principles of Scientific Management rather than have them imposed externally (Sayer 1988). Sayer concludes that the increased flexibility that TQM and other strategies provide clearly indicates to management those jobs that do not require constant attention and so reduces the amount of idle or waste time in the production process. Moreover the decentralising of the work process to the point of work 'teams' or 'quality chains' not only increases the flexibility of labour, but also integrates the workforce into carrying out its own supervision while decreasing the need for more highly paid middle management. Panitch sums up that such strategies involve:

socializing workers into the ethos of profitability through flexibility, in the hope that they will internalize it, police themselves accordingly, and acquire the motivation and the ability to pass on to management the data and the workers' judgements pertaining to labor process efficiency, in such a way as to facilitate management control in each branch of production (1987, p.137-8).

Similarly, research by Delbridge, Turnbull and Wilkinson (1992) has illustrated that while TQM does encourage the decentralisation of responsibilities which were traditionally held centrally, this does not necessarily lead to greater autonomy. Rather the result is that employees are asked to perform an increasing number of tasks which are, in turn, closely monitored and strictly controlled. The characteristic of TQM regimes is the extension of management control with work intensified through heightened surveillance, accountability, peer pressure and waste elimination (1992, p.98). Moreover, Delbridge, Turnbull and Wilkinson reveal that the TQM system:

further obscures the true relationship between the employee and his or her labour power and the surplus value it produces by its appeal to a 'customer ethos'. The motivation to successfully fulfil production targets is to meet the needs of the down-stream 'customer' on the shopfloor...Any failure to supply the customer 'just-in-time' with perfect quality goods is noticed immediately ... and the implication is that one is letting down one's fellow workers. (1992, p.102)

Conti and Warner (1993) are also highly critical of Total Quality Management, arguing that it is an extension of Scientific Management where all employees become scientific managers searching for 'continuous improvement'. While employees in the decentralised environment exercise some control and autonomy they are responsible only for operating within the definitions of the central management. As well, while TQM has a focus on producers and consumers in the stream of work through the organisation, the supply of high-quality products arriving 'just-in-time' revealed in the research indicates 'conditions consistent with the low variability, non-discretionary Taylorist job tasks' (1993, p.39). But to maintain control over these decentralised work units Sewell and Wilkinson (1992) argue that 'management must erect a superstructure of surveillance and control which enhances visibility and facilitates direct and immediate scrutiny of both individual and collective action' (1992, p.282). Their research indicates that this superstructure involves the compilation of progress charts so that individual members of the teams can identify ways that productivity might be enhanced. Any improvement then becomes not only the new standard for production procedure in the individual's organisation but is relayed back to the central office to become the standard for all units under central control. They conclude that in order that the asymmetry of power between management and employees might be retained, increasingly it is the 'ownership' or control of the means of surveillance, that enables management to pursue policies which seemingly decentralise responsibilities through TQM while increasing the power of the delegator (1992, p.282).

Oliver (1993), working from the theoretical arguments of Child, points out that Total Quality Management is highly results orientated. It is a management strategy which links the success or otherwise of an organisation to the attainment of measurable outputs. After examin-

ing the use of TQM in British universities Oliver concludes that such means of control might present benefits to management in promoting the self-adjustment of academics to objectives which are clearly defined. However, he argues that this management strategy might be found wanting in areas where the development of new ideas and perspectives are of crucial importance. Moreover, he claims that where there are substantive differences of opinion on the objectives and purposes of an organisation 'output controls may open a real can of worms' (1993, p.52).

Seemingly unaware of such concerns, Lenmark-Ellis (1988) has recently suggested that not only will the tone of the administration of tertiary institutions be improved with quality circles but also they can be used to advantage in the classroom. In arguing her case, she points to their use in Oregon State University classes and their commencement in nursery schools in Japan. She enthusiastically argues that 'the application of the quality circle (QC) to the classroom may well wipe out the traditionally competitive group situation - and initiate the most productive and enjoyable group dynamic that schools have ever had' (Lenmark-Ellis 1988, p.32). However, Simmons and Kahn (1990) have reported a decline in the use of quality circles at Iowa State University. The decline, they suggest, is due to some managers not allowing the necessary freedom for the quality circles to operate and particularly the lack of support shown by top management. Nevertheless they still believe that 'the principles and techniques underlying employee participation groups (such as quality circles), can impart valuable skills to those who participate in these groups' (Simmons and Kahn 1990, p.33).

Not only in universities but in other organisations a number of problems have arisen with the attempts to introduce Japanese management practices into the workplace. For instance, Dale and Hayward (1984), in a study of the failures of quality circles in companies in the United Kingdom, suggest a number of factors which lead to their demise in the UK. These factors include the coldness of top management and unions to the innovation. Second was the lack of time available to the leaders to prepare and organise the meetings. Lastly, there were problems with the lack of co-operation from middle and first-line managers. Consequently, while an earlier section of this paper has highlighted the favourable attributes of TQM and quality circles as part of a new workplace culture embodied in any restructuring of the education 'industry', it is evident that some labour process scholars are more sceptical. Indeed, comparison has been made between quality circles and Japanese management strategies, such as TQM in general, and earlier fads such as the "job enrichment" programs of the 1970s. In this way frequently, a new approach is taken up without much thought, only to be dropped or allowed to quietly disappear when it fails to realize its expectations.

Dunford and McGraw's (1987) research into quality circles at Reckitt and Colman's Pharmaceutical Division in Australia seems to substantially support such fears. Initially the company formed eight quality circles. However, after about four years they had collapsed. Dunford and McGraw suggest that this occurred for a number of reasons. First, there was a decline in ideas for new initiatives. Second, the pressure of work, especially for engineers, became too great. Third, it was difficult for supervisors and workers to fit in the quality circle meetings. Fourth, the supervisors resigned from the circles because they were uncomfortable in their role. Fifth, there was not enough resources available to meet the demands of the circles. Dunford and McGraw conclude by stressing that a major difficulty was that management and employees saw the circles from different perspectives. The demise of the circles was of little concern to management, who had viewed them as a means to generate behavioural change in the workers. The employees were bitterly disappointed as they saw the circles as a means whereby genuine change could be made in their work environment through their involvement in the decision making process.

Berggren (1989), in a study of these new management approaches and quality control circles in the Swedish automotive industry, has succinctly summed up what many researchers have found. He

concludes from his research, that 'the intentions are not to change the hierarchy of authority (but rather to strengthen it, especially the first line supervisors) or encroach on traditional management prerogatives' (1989, p.190). Finally, it should be clear that the implementation of managerial 'best practices', be they Total Quality Management, quality circles or other employee involvement groups, is not unproblematic.

Conclusion

This paper has explored the links between the market, strategies such as co-ordinated decentralisation, Total Quality Management and the changes to the administration of higher education. In reflecting on those links, it is wise to recall Cole's (1989) argument that 'Japanese managers have achieved a more thorough-going implementation of scientific management to an extent that its founder, Frederick Taylor, could not even have imagined' (1989 p.23). Pollert (1991) has recently endorsed such sentiments, arguing that work teams, similar to those of the Japanese, operate on the basis of the satisfactory internalisation of Taylor's principles. Accordingly, the teams incorporate aspects of competitive individualism which are reinforced by close supervision and strict appraisal (1991 p.21). In examining the debate over current 'best practices' and Japanese approaches to management, this paper has but merely scratched the surface of a range of perspectives associated with TQM, quality circles and other management strategies. It would appear from the research that any changes in higher educational administration which follow the current decentralised model may be of more immediate benefit to management in the individualisation of the workforce and the appropriation of its knowledge.

While there may be a pretext toward decentralisation into smaller organisational units, there still exists a strong power relationship of dependency between the central and small units within the university. This dependency can be aptly illustrated by the financial and power relationships which exist within the existing university structure. The funding of teaching and research activities, the funding of support infrastructure, the recruitment of staff and the intake of students are all dependent on the decisions of senior management within the university. Moreover, as has been argued above, control is output based within a market framework where management has to be seen as entrepreneurial (Marginson 1993).

In general Post-Fordist terms, there can be said to exist a relationship of vertical dependence between the two layers of administration. In this vertical dependence the smaller unit of the faculty or school acts as a shock absorber in deflecting major local social, fiscal and industrial crises away from the centre. Accordingly, for instance, in periods of fiscal cut-backs, blame and staff hostility is focused on the stringent conditions imposed by the down-line operational administrators in responding to the crisis. The major body remains insulated from any anger cut-backs might engender. Thus, for its part, the central unit of the university offers financial, administrative and legislative resources and enticements in return for the smaller administrative units absorbing much of the stress emanating from crises such as faculty debt.

Dependency also occurs at the micro level with employees left very much dependent on the paternal/maternal goodwill of senior administrators. In terms of the decentralisation of management in universities, academics will be greatly dependent on the way the dean or head of school decides to distribute the bulk funding coming down from the central body. The dean or head of school may feel a need to promote certain programs, for instance, commercial law, by recruiting more staff in that area or providing greater promotion opportunities than academics in other areas. Again, the dean may have a special project that has to be funded out of the bulk grant. One solution, often promoted to cater for such needs, is the appointment of more junior contract staff, who are cheaper than the older, more senior academics who are then ignored when any vacancies arise. Similarly, with any reduction in the bulk funding, the teaching staff in the decentralised faculty or school become dependent on the head to decide on who

stays and who goes.

The last point in the preceding paragraph gains even greater strength with the realisation that an aspect of the restructuring of these so-called Post-Fordist internal labour markets is their polarisation (see Watkins 1989). For instance, in a recent study of the effects of technology and privatisation on British Telecom, Clark (1991) found a decided polarisation of the workforce. His research concluded that there had been a pronounced polarisation in maintenance work tasks, jobs, careers, and in the distribution of skills, between the junior and senior technicians (1991 p.142). A similar scenario seems to be falling into place in the teaching labour market of the university faculties. Here a core of fairly highly paid senior academics seems to coexist with a periphery of more poorly paid contract and sessional staff who give the university administration greater numerical flexibility.

The movement toward universities being captured by a market philosophy and even their internal organisation being driven by the producer and consumer basis of market relationships through work teams is not without concern. Waring (1989) claims that the new management 'best practices' outlined in this paper have never deviated significantly from the philosophy of Taylorism. Attempts to decentralise responsibilities, to introduce TQM and quality circles, have been attempts to engineer harmony in the workplace. Through these strategies central management have sought 'participative management rather than participative democracy' (Waring 1989, p.201).

The implementation of market relationships, coupled to an ideology of 'continuous improvement' in TQM is part of the contemporary construction of employees who contribute to their own intensification of work and increased surveillance. Parker and Slaughter (1988) have labelled these management strategies as 'management by stress'. In the quest to eliminate 'waste', employees in organisations using these strategies, are always under pressure to incorporate continuous improvement into their work. They suggest that no matter how proficiently an employee carries out their work 'there is no such thing as a comfortable pace. There is always room for *kaizen* or continuous improvement' (Parker and Slaughter 1988, p.40). Thus both the system and the person are placed under stress so that weak links in the organisation might become visible more easily and the problem more quickly rectified. Through this process a high productivity may be generated which would allow the decentralised academic units to respond rapidly to the ongoing fluctuations of the market. But in this situation, it would appear that academics in universities would find that notions such as participation, collegiality and autonomy would be stripped of their meaningful characteristics.

References

- Berggren, C. 1989, "'New Production concepts' in final assembly - The Swedish experience", in S. Wood (ed) *The Transformation of Work?*, London, Unwin Hyman.
- Braverman, H. 1974, *Labor and Monopoly Capital*, New York, Monthly Review Press.
- Buchbinder, H. and Newson, J. 1990, 'Corporate-university linkages in Canada: transforming a public institution', *Higher Education*, 20(4), pp 355-379.
- Buchbinder, H. and Newson, J. 1991, 'Social Knowledge and Market Knowledge: Universities in the Information Age', *Gannett Center Journal*, 5(2/3), pp17-29.
- Casson, H. 1911, *Ads and Sales: A Study of Advertising and Selling from the Standpoint of the New Principles of Scientific Management*, Chicago, McClug & Co.
- Clark, J. 1991, 'Skill Changes in Maintenance Work in British Telecom: an alternative view', *New Technology, Work and Employment*, 6, pp138-143.
- Codd, J. 1993, 'Managerialism and the Move to Self-Managing Schools in New Zealand', in J. Smyth (ed), *A Socially Critical View of the Self-Managing School*, London, Falmer.
- Cole, R. 1989, *Strategies for Learning*, Berkeley, University of California Press.
- Conti, R. and Warner, M. 1993, 'Taylorism, new technology and just-in-time

systems in Japanese manufacturing', *New Technology, Work and Employment*, 8(1), pp 31-42.

Cowan, R. 1985, 'How the refrigerator got its hum', in D. Mackenzie and J. Wajcman (eds) *The Social Shaping of Technology*, Milton Keynes, Open University Press.

Dale, E. 1956, 'Contributions to Administration by Alfred P. Sloan Jr. and GM', *Administrative Science Quarterly*, June, pp 30-62

Dale, B. and Haywood, S. 1984, "Quality Circle Failures in UK Manufacturing Companies- A Study", *Omega*, 12(5), pp 475-484.

Deakin News, 1993, 'Lecturers Work Their Way Through Industry', *Deakin News*, (3), May, p 3.

Delbridge, R., Turnbull, P. and Wilkinson, B. 1992, 'Pushing Back the Frontiers: management control and work intensification under JIT/TQM factory regimes', *New Technology, Work and Employment*, 7(2), pp 97-106.

Drache, D. and Gertler, M. 1991, *The New Era of Global Competition: State Policy and Market Power*, Montreal, McGill-Queens University Press.

Drucker, P. 1954, *Practice of Management*, London, Pan.

Drucker, P. 1946, *Concept of the Corporation*, New York, The John Day Company.

Dunford, R. & McGraw, P. 1988, 'Quality Circles in the Manufacturing Industry', in Willis, E. (ed) *Technology and the Labour Process*, Sydney, Allen and Unwin.

Kellner, P. 1990, 'The Limits to Markets', *Policy Studies*, 11(4), pp14-21.

Kemp, D. 1993, 'World Class Schools, Universities and Training', *Fightback! Supplementary Paper No. 4*, Liberal Party of Australia.

Langford, J. 1991, 'Secrecy, Partnership and the Ownership of Knowledge in the University', *Intellectual Property Journal*, June, pp 155-169.

Lenmark-Ellis, B. 1988, "Japanese Quality Circles in the Classroom", *Momentum*, 19(2), pp 32-34.

Levin, H. 1991, 'The Economics of Educational Choice', *Economics of Education Review*, 11(2), pp 137-158.

Loton, B. 1991, 'Education and Australia's Economic Future', *Business Council Bulletin*, June, pp 12-15.

Marginson, S. 1993, 'From Cloister to Market: the New Era in Higher Education', *Journal of Tertiary Education Administration*, 15(1), pp 43-64.

Nader, R. 1972, *Unsafe at Any Speed: the designed in dangers of the American Automobile*, New York, Grossman.

National Board of Employment, Education and Training 1992, *Higher Education: Achieving Quality*, Canberra, AGPS.

Oakland, J. 1989, *Total Quality Management*, Oxford, Butterworth-Heinemann.

Oliver, N. 1993, 'Quality, Costs and Changing Strategies of Control in Universities in the UK', *Journal of Educational Administration*, 31(1), pp 41-52.

Panitch, L. 1987, 'Capital Restructuring and Labour Strategies', *Studies in Political Economy*, (24), pp 131-49.

Parker, M. and Slaughter, J. 1988, 'Management by Stress', *Technology Review*, (91), pp 36-44.

Perrow, C. 1986, *Complex Organizations: A Critical Essay*, New York, Random House.

Pollert, A. 1991, "The Orthodoxy of Flexibility", in Pollert, A. (ed) *Farewell to Flexibility?*, Blackwell, Oxford.

Rinehart, J. 1984, "Appropriating Workers' Knowledge: Quality Control Circles at a General Motors Plant", *Studies in Political Economy*, 14, Summer, pp 75-97.

Sayer, A. 1988, 'New Developments in Manufacturing: the just in time system', *Capital and Class*, (30), pp 43-72.

Sewell, G. and Wilkinson, B. 1992, "'Someone to Watch Over Me": Surveillance, Discipline and the Just-In-Time Labour Process', *Sociology*, 26(2), pp 271-289.

Simmons, J. and Kahn, S. 1990, "Quality Circles in Higher Education: A Survey of Mismanagement", *CUPA Journal*, Fall, pp 29-34.

Sloan, A. 1964, *My Years with General Motors*, New York, Doubleday.

Waring, S. 1991, *Taylorism Transformed: Scientific Management Theory Since 1945*, Chapel Hill, The University of North Carolina Press.

Warren Piper, D. 1993, *Quality Management in Universities*, Vol One, Canberra, AGPS.

Watkins, P. 1989, *Knowledge and Control in the Flexible Workplace*, Geelong, Deakin University Press.

Webb, L. 1992, 'Rewards for Quality in Higher Education: Some Alternative Viewpoints', *Journal of Higher Education*, 16(1), pp 11-12.

Webster, F. and Robins, K. 1986, *Information Technology*, Norwood, New Jersey, Ablex.