

THE COMMERCIAL UNIVERSITY?

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ABSTRACT

This paper reflects on the changes which have occurred in the public sector over the last two decades, and how they have affected Australian universities. The paper suggests that there are multiple stakeholders and multiple purposes for universities, not all of which can be accommodated in the managerialist reforms which have swept the public sector. It is suggested that the language of products, customers, and the marketplace are not fully consistent with notions of knowledge creation, scholarship, critical enquiry and cultural tradition. Managerialism results in the disenfranchisement of some stakeholders.

Introduction

What is the modern conception of a university? What function does it play in modern life? How can universities be sustained in the future? As the language and practices of business increasingly make inroads into the role and function of our universities, is it time to stop and ask how we define what a university is, and what we expect of it in society? Universities in Australia are largely publicly funded bodies. In the decades of the 1980s and 1990s, dissatisfaction with the performance of public institutions led governments to adopt widespread importation of private sector management techniques into the public sector. Managerialist public sector reform has been focused on the use of market discipline, as exemplified in the private sector, to improve productivity [6].

These reforms have been driven by governments who recognise that in more stable economic environments society cannot afford large bureaucracies and programs which are a burden on the public purse. The transformation of the public sector in the 1990s, the adoption of NPM, and with it private-sector styles of management, is changing the processes by which the public sector works [1]. These processes focus on quantification, on outcomes or results, and on management of scarce resources. Knowledge and expertise is assumed to reside in the private sector, and reform requires adoption of private sector practices [2]. Have these changes affected universities? Universities in Australia have not been immune from change. However, is it appropriate for universities to be corporatised and treated as private sector entities, using concepts such as customers and products? As part of the corporatisation programs, universities have been subjected to reduced real funding levels, pressures upon costs, reduced funding per student and an emphasis on financial self-sufficiency [4]. They have been encouraged to compete for local and international students as corporations with global offerings.

Despite the lack of conceptual underpinnings, the language of commerce and business is employed in our universities. Education is coming to be viewed as a series of 'products' offered to 'customers' who search for the courses which best suit their needs. They view their courses as an 'investment', with an expected pay-off in terms of employment outcomes. They operate in a 'education market'. University teaching is now conceived as a good consumed by students. This conception is flawed. Education is more than a personal good – it is also a social good, a public good, which advances knowledge and the quality of life throughout society. The dissemination of knowledge through education gives insights into human endeavours, explains how the world works and why it is so [4]. Education is thus unlike other goods, which wear out and are disposed of over time. Knowledge is social and durable, even if it needs to be refined and updated over time.

According to Macintyre [5], universities have three roles: teaching, research and learning. As a teaching institution, the university seeks to satisfy demand for higher education and accommodate the challenge of competition from new providers and new technologies. As a research institution the university seeks to capture the growth of investment in knowledge creation. As a learning institution the university must be responsible for scholarship, critical enquiry and the maintenance of cultural tradition. The first of

these roles is currently affected by the move to the language of business in education, but are the others far behind? Valuable knowledge can be viewed as the 'product' of a university. However, it is not a normal product built to a specific design. It is rather the result of discovery, enquiry, analysis and synthesis (Stewart and Sharma 2002) and is life-long.

The commodification of universities that has occurred to date reflects the interests of the government. It ignores the multiplicity of other stakeholder groups in universities such as students and applied research purchasers. Government funds are provided for two distinct purposes: funding undergraduate students, and funding research and research students. Different outcome expectations for undergraduate students and research activities suggest that even one stakeholder group – students – has multiple needs and views. Students are not homogenous. Undergraduate students largely expect increased employment opportunities on completion of their degrees. The expectation of employment outcomes creates further stakeholder groups: employers of graduates. Employers of graduates may influence education requirements. There is influence from professional bodies as many of the university academics teaching such courses are professionally qualified, and want to conform to the norms of their professions. Internal stakeholders include university management, academics and professional groups within the university.

The different groups of purchasers of university services can result in conflicting pressures on universities due to their different expectations. Students are naturally focused on teaching and learning. Their expectations are that significant resources will be devoted to learning outcomes. Research purchasers (including research students) expect that resources will be devoted to research outcomes. Both groups are focused on quality and effectiveness of outcomes. Professional groups, whether external associations or internal academics, have an interest in the quality of outcomes, innovation in professional practices and maintenance and enhancement of professional competency. Universities attempt to balance the pressures of each of these groups. The pressures in some dimensions are complementary, for example governments seeking enhanced employment outcomes, professional bodies seeking enhanced membership base through increased graduates, and students seeking to gain employment as professionals. In other dimensions they may result in conflict for example, academics wanting to set particular standards of achievements compared with students who insist that having paid for a course they are qualified to graduate.

Can these diverse views and conflicting outcomes be integrated into a shared conception of a modern university? Is it important to come to a shared vision of the twenty-first century university? Without some form of shared understanding of what constitutes a university, universities cannot function effectively (as opposed to efficiently) and provide the outcomes essential to society. Universities are expected to run as efficient businesses, but that efficiency may come at a high cost: damage to the ability to generate and disseminate knowledge for current and future generations.

There is a basic understanding of the university as a place for educating students and awarding degrees, but only limited recognition of the need for research and learning. The concept of a university appears to be shrinking into a teaching institution. This certainly assists in the measurement of operational efficiency: measures such as staff to student ratios, teaching hours, profit per subject, short course or degree can be calculated. Some measures of 'quality' such as student evaluation of teaching can be developed. Student evaluations enhance the commodification of education, by treating academic labour as an input whose efficiency can be measured by evaluation. According to Stewart and Sharma (2002) this has unfortunate consequences in that there is a tendency towards 'edutainment', providing students with a pleasant experience and high grades in return for their fees, rather than a challenging and uncomfortable learning experience. Such edutainment results in good evaluations for staff, perceptions of more 'efficient' university work, but poorer learning outcomes for society.

It is much more difficult to measure the 'efficiency' of research, or the generation of knowledge which may not have an immediate application. Measures such as the number of patents applied for, or the number of books written, may seem to provide some measure of efficiency. Those who purchase applied research from universities may also be well catered for, and the profit from such applied research constitutes another measure of university efficiency.

There is no way to measure the intrinsic value of the role of the university in keeping alive the knowledge of Latin, or in disseminating knowledge about ancient architecture. Do these ideas have value to society? The current climate would suggest not. A number of Australian universities have closed their classics departments and significantly downsized their Arts faculties. The emphasis on generating revenue has resulted in an emphasis on vocational education, for example more places for business students undertaking MBAs and other employment oriented skills. The needs of some student stakeholders, of employer stakeholders, of purchasers of applied research, of professional associations, may be catered for. The wishes of the government as stakeholder may appear to be catered for. However, the needs of society as a whole do not currently appear to be taken into account, with little or no recognition of the broader concepts of learning and pure research.

There is one other aspect of the corporatisation of universities which must be addressed. When education is seen as a product or commodity, and treated like other commodities, questions of equity of access are often ignored. For many years there has been an understanding in Australia that those who cannot afford to purchase their education should receive some government assistance, by way of scholarship or fee reduction, to allow access and help reduce societal inequity. When education is viewed as a product like any other product, the level of government assistance is reduced, or turned into interest bearing loans. Students must go into debt to purchase the educational commodity, just as they would to purchase a commodity such as a car. However, if education has a social benefit in addition to a private benefit, should less fortunate individuals be forced to pay for generating that social benefit? As education becomes unaffordable to the poor, the gap between rich and poor, educated and uneducated, those with knowledge and those without, widens (Stewart and Sharma 2002) and this inexorably increases tensions in society.

There is no doubt that universities must become better at utilising limited public funding. There is no doubt that the old concept of a university cannot continue into the 21st century. Frugality of resource use, better management techniques, and an emphasis on performance outcomes will be part of the new university. However, the current emphasis on corporatisation, and the business language of efficiency, products, customers and the market recognise only a small part of what a university does. This emphasis disenfranchises sections of society reliant on strong universities creating the knowledge which will enhance society into the future, and devalues knowledge which cannot be “sold.” Governments pursuing policies of corporatisation and commodification should consider the other stakeholders in universities, and the societal benefits of knowledge in reconceptualising the 21st century university. The debate about the concept and future of the Australian university is yet to begin.

References

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