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**Formal changes in institutional governance –
European trends concerning institutional autonomy**

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The drivers for change

- European initiatives: Bologna, Lisbon agenda, globalization, mobility, relevance, quality
- Domestic initiatives: Design challenges concerning higher education, effectiveness, efficiency, relevance, quality
- «Reform» not always externally motivated, and there is a complex dynamic between European and domestic reform agendas

Some common reform ideas

- The relationship between the state and higher education institutions should change (more institutional autonomy)
- Funding of institutions should change: more output-oriented funding, more competition for resources
- The strengthening of universities as organizations
- Stronger accountability claims directed at universities

How is European HE «modernised»?

- The CHEPS/INCHER/NIFU study on European governance reforms in 33 countries:
 - Organizational autonomy (Organizational structures, governance systems)
 - Policy autonomy (staff, students, programmes)
 - Financial autonomy (how to spend resources)
 - Interventional autonomy (free from accountability requirements)

Organizational autonomy

- The organizational autonomy is still quite restricted in many European countries, although there is a trend towards
 - strengthening the executive leadership within institutions
 - professionalization of various administrative and academic functions
 - fewer representative bodies
 - more external representatives in top level boards

Policy autonomy

- Universities throughout Europe do have considerable leeway in how teaching and learning is designed and organized
 - A divide in Europe: some countries have much leeway in recruitments of staff, others not (salaries the same)
 - Regarding selection of students, there are huge variations (1/3 of the countries have much freedom in selecting students)

Financial autonomy

- European universities do have considerable financial autonomy as a result of changes where lump-sum funding have replaced earmarked funding in many countries
 - Hence, internal allocation of resources are currently easier in many countries
 - But in very few countries can universities can borrow money from the capital market (competition for funding may also pose a problem)

Interventional autonomy

- While the idea of «autonomy» has been popular, the build-up of accountability measures in Europe is considerable
 - QA/accreditation schemes have been developed which in some countries severely restrict institutional autonomy
 - The growth of reporting, indicators systems, and performance measurements

A complex picture emerging

- The different aspects of autonomy have been addressed to varying degrees in different countries
 - The reform agenda in many countries can often be characterised as fragmented
 - We do know that many universities are changing their internal governance structures (centralization, formalization, professionalization, specialization)

A complex picture emerging cont.

- However, we know less about how universities with these characteristics function in their daily operation:
 - Will a more «managed» university change primary activities?
 - Will a more «managed» university be able to coordinate internal functions?
 - Will a more «managed» university be more effective than other ways to govern the university?