

Prof. Dr. Jürgen Kohler

**Meeting of the Directors General for Higher
Education**

Namur, 13 – 14 September 2010

**Thematic Session:
Impacts of Transparency on Governance and
Accountability**

Assumptions:

- (Necessity?:) Better accountability and better information are needed since all stakeholders require reliable information about higher education at programme, institutional, and system levels.
- (Consequence?:) Rankings and other transparency tools have developed rapidly, at global and national/regional levels.
- (De facto?:) Transparency tools have significantly impacted upon the higher education sector.
- (Variants?:) Impacts pertain to institutional strategies, including governance models and arrangements.
- (Effects?:) Rankings reinforce emphasis of efficiency and effectiveness above the fitness-for-purpose of the objectives and orientations of higher education defined in cooperation with the variety of stakeholders.
- (Fashion?:) The model of entrepreneurial governance of higher education is reinforced in line with a general paradigm shift in the public sector towards "New Public Management".
- The aforementioned trends are based upon, imply, and show in various modes:

1. Marketization of higher education, which has transformed students, researchers and academics into consumers of higher education services.
2. Students use rankings to verify the economic rationality of their choice
3. The academic profession is changing due to a performance-based approach.
4. Higher education institutions use rankings as information instruments for strategic orientation and planning, including curriculum design.
5. The political context and specifically the use made by policy-makers of transparency tools directly impacts upon the governance of higher education institutions.
6. Eventually, the need for efficiency and visibility influences the re-structuring of higher education both at the level of the higher education system and at the institutional, faculty, departmental and discipline levels.

Implied (assumed) values – both threatened and aspired to (?):

- Fitness for purpose of higher education objectives vs. effectivity and efficiency
- Stakeholder participation vs. entrepreneurial governance
- Students as partners vs. consumer approach
- Academics in quest for substance and truth vs. following performance-based short-term entrepreneurial (?) goals
- “Traditional” (what?: collegial? politicised?) institutional and system governance vs. “informed” steerage by concluding from information on performance

Explicit exemplary questions:

- Is the move towards entrepreneurial/market governance in higher education unavoidable?
- In a market governance model for higher education, what would be the roles/responsibilities of public authorities?
- How to manage the dilemma between the necessity of 'absence and presence' of public authorities within the higher education sector?
- What are the real impacts of existing transparency tools on governance? Should public authorities bother about those implications?
- What would be the potential impacts of future multidimensional transparency tools on governance?
- What kind of transparency tools could contribute to better governance in higher education minimising the negative side effects of rankings?

Explicit objectives:

- Give an overview on governance and accountability issues within the European Higher Education Area
- Describe what might be defined as 'good' governance
- Explain how institutional governance has changed in the last two decades
- Explain how rankings and other transparency tools have impacted on institutional governance as well as strategies and orientations
- Describe how multidimensional transparency tools might impact differently on institutional governance
- In essence: Clarify contradiction and/or supportive link between higher education (institutional) purposes and values vs. transparency tools and efficiency-oriented governance based upon evaluated performance, and indicate antidotes if and where necessary.

Limits of presentation:

- Job sharing with E Hazelkorn: will specifically comment on rankings
- Need to concentrate on certain tasks only; i.e.:
- Clarification of terminology
- Addressing (positive and/or negative) links between (good) governance and (proper and inadequate design and use of) transparency tools and accountability
- Identification of support or jeopardy to 'academic values' caused by transparency
- Overall limitation: indication of issues (theses) rather than definite solutions

Key definitions: clarification of terminology

‘*Good*’ institutional and system **governance** means:

organized (i.e. sustainable, systematic) fitness for purpose of an organization in terms of both structure and processes as well as personnel and ethics (i.e. devices) to accomplish (i.e. fitness) quantitative or/and qualitative growth or, as a minor aspiration, survival or, at the very least, orderly winding-down (i.e. purpose).

Therefore, major factors of good governance are: institutional values (mission, policy, ethics), key organisational features (leadership, management), effectivity and/by inclusion (participation, communication, checks and balances).

‘Reasonable’ transparency (tool) means: providing access to intelligible information on data which are relevant for specific useful purposes (e.g., making choices (e.g., as a student), accountability, planning).

‘Partnership-oriented’ accountability means: indicating and accepting responsibility and liability for the degree to which set and accepted goals are achieved (i.e., in terms of NPM, steerage by agreement and accomplishment of objectives).

Links and tensions – between governance and transparency (accountability):

- There is no *inherent* (per se) contradiction between (good) governance and (reasonable) transparency, but a complementary role instead: The difference is between
- **Transparency** = *knowing* the *status quo* and possible vectors/gravity fields of the institution/system which may set direction for development at *present*, and
- **(Good) governance** = *projecting* a *vision* and modes of *transformation* for the *future*.

So, the difference between transparency and (good) governance equals the difference between

- collecting and *judging facts* and *determining options*
- describing a *starting point* and identifying a *destination*, and between
- an *indication* of a *plausible way* to take and the *mode of setting out* on the way.

Transparency can be (is) *useful* for (good) governance and for institutional positioning:

- Transparency of quality features indicates strengths and weaknesses, opportunities and risks,
 - thus providing motivation for change in competition-driven environments and helping with realistic strategic planning in contexts of institutional higher education governance and management (particularly relevant in context of enhanced institutional autonomy),
 - thus enabling system steerage at regional/national/European levels.
- Transparency of qualities supports orientation
 - of clientele (students, researchers, administrators) towards HEI's by enabling rational choice between options ("informed customer"), thus avoiding market imperfection while driving performance enhancement and communication/publicity of quality,
 - of HEI's *towards* clientele, thus encouraging developmental dynamics via competition of institutions.
- Transparency serves in meeting demands for accountability in terms of indicating quality
 - to the individual, thus serving his/her interest in personal benefit by sharing institutional reputation (underlying interest, e.g.: marketing)
 - to the public, thus serving interests to maintain/gain public support via reputation and/or demonstration of usefulness (underlying interest, e.g.: public or sponsor funding),
 - to the nation and beyond, thus ensuring pride and global attractivity.

There can be (are) *detrimental* effects of transparency via (inappropriate) governance to institutions/systems/academic performance:

- Bias in focussing on select features (e.g., on research performance), thus narrowing the scope of institutional mission and system relevance;
- Methodological limitations; e.g., on factors easy to measure, such as quantitative, esp. monetary input elements; or inappropriate categorisation or clustering (especially in comparative surveys)
- Insufficient data survey
- Shortcomings in interpretation of data
- Misunderstood communication of findings; e.g., problems of interaction with/reaction of addressee, especially in political and private spheres
- Mission shift resulting in decrease in institutional diversity/differentiation, as a result of assumed need to match political, societal, or clientele expectations raised by specifically highlighted (select) performance factors made public and viewed to indicate 'superior quality' (e.g., focus on research, international visibility).
- Reorganization of institutional foci to match these expectations

‘Academic values’ (individual and societal needs) supported or endangered by transparency-led governance?:

1. The *issue*: Transparency as a governance device used for enhancing effect and efficiency (entrepreneurial approach)

- The *questions* arising (approach methodology suggested):
- *Which transparency, of what and how?*
- Which academic *values* supported or challenged? Academic, individual, societal opportunities or/and risks caused by transparency?
- Availability of *remedies* in case of risks?

2. *Types of transparency* as governance tools:

- Transparency of *performance* (status):
 - *Quantitative* performance (output; input):
 - Output of students
 - Output of research (publications [impact], patents, prizes)
 - Output of other (societal) benefits, e.g. service to society, technology transfer, spin-offs
 - Input (correlated to output factors?), e.g. study fees revenue, research grants, patent and spin-off revenue, fundraising; endowment yield
 - *Qualitative* performance (outcome):
 - Level of transformation via studies /student advancement
 - Novelty and/or relevance of research outcome
 - Type and degree of societal usefulness

- Transparency of *expectations* (projection):
 - Compliance: Past expectations and their match by present reality (service promise and mission/task description in relation to delivery; input in relation to output/outcome)
 - Capacity for change: Present expectations of the future and adequacy of action (vision, mission and action)
 - Trust: Public or stakeholder confidence in present and future performance (credibility)
 - Image/reputation: public or stakeholder opinion on institutional positioning (champion)

3. Moving from transparency to *judgment*:
(adequacy of) transparency tools vis-à-vis
(academic; societal and individual) objectives
achieved and valued:

- Judging *validity* (desirability) of *effect(s)*, also of side-effect(s), of specific features made transparent : some *critical examples* and possible *remedies*
 - Output (number) of students – quality of graduates? Remedy: quality assurance?
 - Output (quantity) of research – indication of relevance? Remedy: qualitative assessment?
 - Input, e.g. amount of research grants – indication of innovation, or inclination to follow mainstream trends? Remedy: safeguarding fair assessment of applications, absence of political bias, correlating funding input to effective project outcome, ensuring blue-sky ‘unwarranted’ research?

- Level of transformation – or: absolute achievement or relative to students' starting points? Remedy: referencing performance to institutional mission and student intake policy?
- Compliance: referencing achievement to outcome promise without judgment on quality of promise – or: necessity to identify validity of promised outcome? Remedy: quality assessment?
- Image/reputation: “branding” created by substantial performance made transparent – or: by traditional beliefs, size, media, public relations, networking? Remedy?

- Judging *efficiency* and its *price*:
 - Fair balance between value of information and expense of gathering/providing reliable, valid, relevant information? And for establishing “antidotes” (e.g., quality assurance) to avoid possible negative effects?
 - Fair balance between activities (e.g. provision of study programmes, research foci) of popular esteem/acclaim/funding success and less popular (e.g., long-term; highly specific; financially less yielding) academic background work?
 - Fair balance between transparency of value-for-money/return-of-investment features and unaccounted factors (“liberties”) required for creativity and innovation (difference between short-term and long-term effects of academic input features)

- System efficiency at risk/or increased (?) due to mission shifts (“mission concentration”; decreasing diversity) and reduction in specific academic areas (e.g., “anti-arts/humanities/social science trends”; anti-undergraduate trends in research universities; anti-widening participation of less favoured groups?) following from institutional positioning strategies induced by transparency of specifically highlighted institutional/personal features of high societal/economic/financial esteem (“value and [subsequent] reward bias”; e.g., indicators of research capacity; demand-driven cooperation with industry; acquisition of elite status)?
- System efficiency at risk/or increased (?) due to concentration (“size matters”; creation of “critical mass”), thus aggravating imbalances in potential of regional opportunities for development, while enhancing opportunities by supporting trends to institutional cooperation (between academic sectors, study cycles; in research activities, doctoral schools; technical and service infrastructure; marketing of networks).