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Emergence of the strategic management in the higher education sector of European Union Countries

Introduction

In the 1990s in the higher education sector of European Union countries emerged the strategic management of higher education. The emergence of the new form of management of higher education was encouraged by the changes in the society, higher education and relationship between state and higher education institutions. The reforms were adopted in the higher education sector and encouraged the emergence and development of the strategic management of higher education.

The particularities of the management of higher education institution are connected with the structure of higher education sector in the national system of education and depend on the governance of higher education.

1. Results of research

Structural and functional changes in the sector of higher education typical to all regions of the Europe led to appearance of certain tendencies in the environment of higher education institutions since the 1960s. The first tendency which is even now typical to the higher education of the many European countries is the increase of the number of the students which is supported by the governments of the EU countries as a reaction on the mass social demand on higher education. Neave and Van Vught assert that in 1960s there was an increase in the number of the students by 10% every year [Neave, Van Vught 1999: 114].

In 1970s the first tendency was accomplished by the other one – limited state resources. Such countries as Great Britain, the Netherlands, Norway, Belgium and Ireland expecting the decrease in the number of the students limited the funding of the universities. Universities had a problem of decreased funding but the number of the students continued to increase.

These tendencies in connection with the increasing worry about the development of the human capital led in 1970s to the demands of the governments to the universities about the effective use of the resources and higher education institutions should ensure the quality of higher education. The problems connected to the effective use of the resources led to the intrusion of the state into

the universities activity. This period was characterized by the demands to detail a university budget which allowed a strict control from the side of the state [Martine 1992].

In 1980s in the context of increasing competition among national economies such issues as quality, excellence and results of research activity considered to be the main goals of the higher education institutions. In many European countries appeared a tendency of deregulation of the higher education.

The higher education institutions in Europe faced the challenges which demanded a long-term strategy grounded on the traditional and new models of practical activity. In 1980s the above mentioned problems led to the questioning of the traditional higher education management. The traditional practice of the management of the university was characterized by the division to administrative and academic management. It was necessary to find a consensus between these two directions. That is why it was questioned whether a self-centered management style could respond to the changes in the environment and to the demands to the higher education. As a result appeared the notion of „the strategic management in higher education" [Martin 1992: 4].

Zechlin asserts that since the 1960s the higher education in European countries was under the pressure of the limited financial resources from the state and under the pressure of high demands from politics, economy and society. At the same time the state took off from the direct governance and refused to take responsibility for higher education. Under the paradigm of New Public Management was strengthened the autonomy of the university. The gap between the growing demands to the university and the limited resources forced the higher education institutions to the effective and efficient activity. That's why there was a need in professional and effective management of the higher education. Universities which budget, personnel and organization had been guaranteed by the state needed to strengthen the professional level of the management. As a result appeared the new model of the entrepreneurial university according to which university must take responsibility for the development and control [Zechlin 2007: 115].

During the 1980–1990s the tendencies of the growing number of students and limited finance continued to develop in the system of higher education. At the same time the governments of the European countries questioned the quality of higher education, especially the standards of the research work. That's why the tendencies of deregulation became popular in higher education of European countries. Higher education institutions in Europe received autonomy in administration and organization of the research work and became more responsible for the usage of resources and results of the research.

In 1980s started the process of reformation of the legal basis of the higher education in European countries. The reforms were aimed at the strengthening of the autonomy of the university and strengthening of the connection with the

economic environment. Reforms were aimed at the change of the relationship between the state and higher education institutions, universities received more power in a decision-making process.

Taking into account all the challenges which faced the sector of higher education most states shifted to the assistance function of the higher education. In most of the European countries were adopted the laws about the management of the university in 1990s. According to the amendments in the legal basis the management of higher education was characterized by the decentralization and universities received more authority in the sector of education and research. The level of the autonomy which European universities received in 1990s varied very much. The concept of the autonomy can be divided into two parts: the management of the teaching and learning and the control on the academic outcome which concerns the quality of the education and the knowledge which receive the students, the research outcomes. In previous years in 1980s the extension of the autonomy of the university concerned the autonomy of the education but the state secured the control over the research and academic outcomes like the quality of education. There are two types of the autonomy at the institutional level in higher education – procedural and substantive [De Boer, File 2009: 12].

Substantive autonomy can also be referred to as academic affairs and the degree of control and policy, while procedural autonomy is distinguished as institutional management and the degree of control of practice [De Boer, File 2009: 12].

Changes in the methods of the state funding contributed to the strengthening of the university autonomy. In 1980s higher education institution had more autonomy then the secondary school.

In 1990s the changing relationship between the state and the institutions intended to enhance institutional autonomy has been accomplished through substantial legislative reforms. In many countries national laws of higher education have become framework laws, providing general instructions or guidelines for higher education institutions. The framework law allows the university to choose within the framework. In European Union countries such framework laws appeared at different period of time, for example in the Netherlands a framework law was adopted in 1993 and in Austria in 2002. According to this law universities became independent legal entities within public law [De Boer, File 2009: 13].

The enhanced autonomy meant a high level of accountability, detailed procedure for quality assurance. Universities looked for the new ways to inform the stakeholders about the performance [De Boer, File 2009: 13]. Higher education institutions were strengthened as organizations [De Boer, Enders 2007].

Keywords like accountability and New Public Management replaced the traditional model of state control of the higher education sector and academic collegial governance. The weakening of the state control allowed more institutional management that led to the effective use of resources and responsiveness to society's diverse needs, proven through accountability and quality assurance.

In 1990s there were changes in the management of higher education and at first it concerned the functions of the executives of the university. They received the authority to form the budget, to evaluate the academic outcomes of the university and to make contracts with other organizations from the economy sector. The executives of the universities became responsible for the planning of the activity of the university on the ground of the goals defined by the Ministry of education.

The process of the planning of the development of the university became the beginning of the strategic management of higher education institutions. After receiving the autonomy universities became more oriented on the market of higher education, on the labor market and the economy of region.

Krücken asserts that the institutional management in universities was very limited and internal decision-making was based on the dominant principles of academic self-governance of the professoriate [Krücken 2009: 8]. University administration was rather bureaucratic structure and all the decisions were taken by the academic council. At first the tendency of changes in university governance appeared in Great Britain in 1980s and then was spread to the other European countries and led to great changes in institutional governance. Administration of the universities also was changed and reorganized to become more competitive. Krücken analyses the changes in the administration of the German universities and he cites Clark who defined the universities in Germany as „bureaucratic oligarchy" [Krücken 2009: 13]. The reforms in higher education of Germany began later then in other European countries but they were characterized by the same tendencies as in other countries. Reforms of the university governance had a great influence on the relationship between university and state. In 1998 there were adopted the amendments to the Federal Framework Act of Higher education in Germany which led to the reform of the universities: higher education universities received more responsibility for the formation of the budget on the basis of the global budget, universities received more autonomy and turn to the performance oriented management [Ziegele 2005]. These tendencies led to the deregulation of internal organizational management and these changes were adopted at the higher education laws of the federal states.

Nowadays universities must prove that they are value for money. Besides growing demands to the quality of teaching and research outcomes universities are competing for students, research income and professional academic researchers. Universities are under external and internal pressure. External pressure is connected with the Quality Assurance Agencies that not only control the quality of teaching and even a resource allocation [Deem 1998: 48].

New Public Management in the sector of higher education is characterized by the autonomy of the university in the decision-making process. According to the model of New Public Management executives of the university and faculties have more authority in the management of the higher education institution. But

the state keeps the control over the sector of higher education, it governances on the distance [Taylor 2002]. As it was said the reforms in the higher education sector during 1990s led to establishment of new relationship between state and university. New steering devices have been introduced; output funding and multi-year agreements with the higher education institutions. There was an ideological shift towards the market as a coordinating mechanism. It is evident that the higher education functions in quasi-markets where government plays an important guiding role [De Boer, File 2009].

Conclusion

The tendencies in higher education sector: the growing number of students and limited financial resources led to the change in the relationship between state and higher education institutions. In 1990s in most countries of the European Union were adopted the reforms that led to the emergence of the new model of governance of higher education. Universities received more autonomy and the state removed to the supervising model of governance and demanded the increase of accountability from the higher education institutions. The emergence of New Public Management was a major factor of influence on the governance model of higher education. All these factors including the reforms of the legislation of the higher education led to the emergence of strategic management of higher education.

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Abstract

In the article the author analyses the tendencies in the higher education sector that led to the emergence of the strategic management of higher education. The author analyses the reforms in the internal and external governance and the changes in university-state relationship. Attention is paid to the development of the higher education autonomy which contributed to the emergence of strategic management of higher education institution.

Key words: internal governance, external governance, autonomy, New Public Management, strategic management of higher education.