Expanding peripheral activities, increasing accountability demands and reconsidering governance in US higher education

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Activities emerging on the periphery of American universities and colleges of all types have challenged traditional conceptions of governance, particularly how to properly involve faculty. Examples of these activities are academic programs for non-traditional students, various auxiliary activities within institutions, and partnerships with communities and industry. This paper describes the US approach to governance and discusses how concerns about diminishing resources and increasing demand, competition and costs are causing institutions to become more managed and less influenced by faculty. The paper concludes with a discussion of recent recommendations for reform in the governance of American higher education.

Introduction

Governance, including in higher education, is both as simple and as complicated as responding to the question: who makes what decisions? What makes the question difficult in the United States is the imprecise shared power and influence of various external constituents and those inside universities and colleges, particularly faculty. There are two prominent trends in contemporary American higher education that further complicate the question. The first is the significant expansion of activity at the periphery of institutions of all types, including academic programs—and the tendency of such activity to be dominated by managers and less influenced by faculty than is the academic core. The second is the increase in state requirements for direct evidence of accountability by institutions and the threat of more federal involvement here.

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The former trend merits concern as it shifts the balance in shared governance, an important feature of the US approach to higher education, away from faculty and towards managers, including on the academic matters on which faculty voices are most meaningful. While the move to the periphery is steadily unfolding and is often less instantly apparent, the accountability issue is more immediate and direct. It easily captures the attention of trustees, presidents and managers who, ever conscious of pleasing those who provide funding, are earnest in responding to state mandates. Providing accountability data to states is also, ultimately, of less consequence to how institutions are governed. Accountability demands have proven to be more symbolic and annoying than a real risk, while the steady move towards an ever more managed institution on the periphery changes the governance equation, reducing the influence of faculty.

This paper addresses selected themes in the scholarly writing on US higher education governance since 2002. It begins with a consideration of principles and traditions in governance that provide a framework for ideas discussed in the paper. It then reviews issues related to the expansion of the periphery in American higher education, discussing how concerns about diminishing resources and increasing demand, competition and costs are leading to institutions that are more managed and less influenced by faculty, and why, of course, this matters. Woven into this account is a discussion of the ever-greater expectations upon institutions to demonstrate their accountability, and it is concluded that these essentially data-reporting exercises are of limited consequence. Finally, there is a brief discussion about what commentators over the past few years are suggesting for reform in the governance of universities and colleges in the United States.

**Governance in US higher education**

"Governance" is the term we give to the structures and processes that academic institutions invent to achieve an effective balance between the claims of two different, but equally valid, systems for organizational control and influence, writes Robert Birnbbaum (2003, p. 1): 'One system, based on legal authority, is the basis for the role of trustees and administration; the other system, based on professional authority, justifies the role of the faculty' (p. 1). States also have a role in governance. McGuinness (2005) argues that institutional autonomy is not absolute, but is instead relative, as states have the basic responsibility to oversee the balance between institutional autonomy and public accountability. States weigh the interest of the collective with the advantages of institutions considering local circumstances in making decisions. Accordingly, they craft comprehensive and balanced systems of higher education, each state developing its own approach to organizing, financing and assessing higher education—and achieving various levels of effectiveness in doing so (McLendon & Ness, 2003; McGuinness, 2005; Schmidtkein & Berdahl, 2005; McLendon et al., 2006). Gayle et al. (2003) underscore the multiple actors involved in governance, representing it as concentric circles—presidents, faculty, administrators and trustees at the core; then community, students and alumni; then state departments, governors,
legislators and state boards; then the US Congress, state systems, accreditation agencies, the federal department of education; and then national higher education associations and funding organizations.

At institutions with a shared governance tradition, decision-making occurs at multiple levels with certain entities having influence or authority over certain issues—faculty make curricular decisions, particularly within academic units; administrations set institution-wide budget priorities for academic programs; and states consider the distribution of academic programs across institutions (Kezar & Eckel, 2004). There is also informal faculty power, given the resources they control at research universities (Duderstadt, 2004). The challenge in shared governance is that faculty culture, valuing autonomy and independence, above all, does not align with the responsibility and accountability needed to manage a complex institution. It also aligns poorly with the political and corporate cultures that increasingly compete with academic culture in higher education (Gayle et al., 2003). Indeed, providing cost-effective services for the market and accountability for expenditures can conflict with adherence to long-standing academic values and traditions as academic freedom (Duderstadt, 2004). Given the ambiguity in roles and lack of clarity on respective authority among faculty, administrators and trustees, Schmidtlein and Berdahl (2005) note that ‘conflicts over the appropriate locations for making various kinds of decisions have occurred since tribal times’ (p. 77).

Rosovky (1991) frames governance as the competition for power involving three most influential groups at the university—the trustees, the administration, and the faculty: ‘who is in charge; who makes decisions; who has a voice, and how loud is that voice?’ (p. 261). Even though views on the balance of power among the three differ, there is broad agreement that appropriate constituents should influence decisions—governance should be shared. It should take advantage of a natural division of labour among groups with different expertise (faculty on curriculum and administrators on financing, for instance); recognize the need for decisions to not run afoul of academic culture (say a decision of trustees conflicting with the norms, values and beliefs of the academic community); and appreciate the advantages of broad consultation and participation in promoting the consensus around a particular idea and various supporters needed to bring about change (Hartley, 2002; Kezar & Eckel, 2004). Finding such a balance between legal authority (trustees and administrators) and professional authority (faculty) is difficult, even on the curricular issues that faculty members find to be of most interest—and approaches to governance thus tend to evolve and be somewhat idiosyncratic within institutions. They always involve, however, a tension between external governance represented by boards and their fiduciary interests and internal governance reflected in faculty and their academic interests, positions represented over time in the United States by the Association of Governing Boards (AGB, 1998) and the American Association of University Professors (AAUP, 1995; Gayle et al., 2003).

On the surface, then, governance in US higher education seems rational (or hard), with structures and processes to ensure compliance with enacted policies or procedures. But it is also interactional (or soft), involving the system of social connections
and interactions that develop and maintain individual and group norms. These interactions, in the end, may matter more than hard governance, as most important decisions occur outside of the formal system (Birnbaum, 2003; Tierney, 2004b). Given its rather imprecise nature, shared governance can frustrate those inclined towards rationality and efficiency, and is commonly criticized as limiting agility within institutions and creating obstructions in permitting rapid decision-making (Birnbaum, 2003; Kezar & Eckel, 2004). Such criticisms are commonly more at the macro level than with faculty governance at the unit level, however (Bergan, 2004). Kezar (2005) argues that institutional decision-making mechanisms are not prepared to handle increasingly complex challenges, particularly those related to an ever more competitive environment. She cautions that while there seems to be consensus that some degree of change is needed, a reinstallation of bureaucratic approaches, or simply adopting corporate models, in not advisable. Instead, institutions should consider more radical change underscoring decentralization and participation.

Kezar is responding to the common frustration with higher education being thought to be less effective than in the private sector, and the calls common in discussing governance that universities should be run more like businesses. Collis (2004) explains the sources of such frustrations. No only is there nothing akin to the ultimate goal of maximizing shareholder value, and thus no clear output measure, but there are also multiple constituencies with conflicting agendas, some with effective veto power and few strong incentives (or even threats) to use with faculty. Universities and colleges have the disadvantage relative to corporations that board of trustees members are rarely experts in higher education. There are regular complaints about the lay boards typical in US higher education—groups comprised of political appointees at public institutions and business people in private institutions it is hoped will be large donors (Hermalin, 2004). Chait (2006) argues that the problem is that boards are orchestras of soloists—and this inspires freelance governance by trustees. Trustees also tend to lionize (private colleges) or trivialize (public institutions) presidents, as well as micro-manage where they should not, and miss or avoid larger issues that they should address. The result can be high-profile cases of boards of trustees acting in dysfunctional manners.¹

Although such challenges cut across institution types, governance tends to differ in various sectors of US higher education. The most prominent US universities and colleges are those with the access to sufficient resources needed to attract the most desirable students and faculty and develop the most impressive academic buildings and lavish student amenities, such as residences, dining commons, fitness centres, and even commercial districts (Toma, 2006). These are also the places, primarily research universities or selective liberal arts colleges, where the academic core of institutions is likely to be most pronounced in institutional life and the faculty role in governance is richest—the institutions that Rosovsky (writing from Harvard) has in mind in framing shared governance. At these institutions, academic programs traditionally exist not based on their capacity to generate revenue, but for purely educational reasons—on the core side of the divide with the periphery.
Faculty members at research universities, according to Birnbaum (1981), exist in an anarchical environment characterized by individual autonomy. Those at liberal arts colleges work within a collegial model based on consensus and marked by faculty influence. Governance is more naturally shared, marked by faculty influence. In contrast, faculty members at institutions with lesser resources are more likely to exist in more bureaucratic environments defined by hierarchy and accountability (Birnbaum, 1981). They are less likely to have influence to balance administrators in governance. In fact, most institutions in the United States concentrate on preparing students for the workforce and basic skills education, the latter group including both community colleges and underfinanced private colleges (Keller, 2004). These institutions, by necessity, focus more on responding to market opportunities, typically through offering convenient programs to non-traditional students. So, the issue in this sector is not of activity increasing outside of the core, but of the activities of the periphery constituting the essence of the institution.

The expanding periphery

Whether at prominent universities or colleges with a rich shared governance tradition or at institutions where the faculty role in decision-making is more limited, programs outside of the traditional academic core are considerably more managed by administrators than influenced by faculty. Academic programs and other enterprises at the periphery of US universities and colleges—including the most prominent ones—increased markedly over the past two decades or so. In addition, at research universities, faculty members are more involved in outside ventures, often as individual entrepreneurs, and auxiliary enterprises such as housing and dining are increasingly important. Furthermore, institutions focused exclusively on the convenience of non-traditional students, including those operating as for-profit corporations, have emerged as a particular force.

Even given differences among types in US higher education, all institutions are increasingly influenced by external forces, whether responding to markets or reporting their accountability. A classic illustration of the increased focus on markets involves a familiar institution type in the US: the small private institution, often associated with a religious denomination, located in a small town, that struggles to fill its entering class of residential students with graduating high school seniors with acceptable but hardly impressive entering credentials. In order to protect the collegiate character of their home campus, many of these institutions have established satellite campuses near larger cities to serve part-time students studying in professional fields. Research universities have done much the same, say rural Virginia Tech having a center in suburban Washington, DC, which is located a several hours' drive away. Even the most prominent private research universities, such as Harvard or Northwestern, have robust programs marketing aggressively to working professionals who can attend part-time. These same institutions are equally assertive in pursuing corporate partnerships in research, instruction and training, of course.
Public institutions can conveniently frame such activities as not only revenue producing, but also in accountability terms—as providing access to diverse populations across the state and forging productive ties with the industry that will advance local and state economic development (Altbach, 2005). Demands for greater accountability by states, argues Rhoades (2005), are linked with responsiveness to markets, with measures such as productivity and efficiency stressed (and operationalized in simplistic measures as teaching loads and graduation rates). Universities, of course, long engaged in ongoing negotiations in the state capitol to maximize the resources they are appropriated. So, some degree of responsiveness to political interests—and the societal needs that hopefully drive these—as well as accountability for past performance, is built into the system (Zusman, 2005).

But the great change in US higher education across institutions, both public and private, has been towards a more revenue-driven, market-responsive approach—a culture of responding in more entrepreneurial ways to external opportunities and to what are increasingly viewed by universities as clients. These peripheral programs are typically shaped, once again, by managers or are otherwise outside of the real influence of shared governance, changing the answer to the central question of who makes what decisions within institutions. Collis (2004) concludes that, with the expanding periphery and contracting core, institutions have increasingly less control over more things, and this stretches the limited adaptive capacity of governance structures to the breaking-point.

Increasing demand and greater competition

There are multiple reasons for the greater activity on the periphery across American higher education, beginning with increased demand and including greater competition and revenue pressures, each of which has resulted in changes in staffing, and thus in shared governance. The changes in US higher education are striking in terms of student composition (more towards part-time); course offerings (rise of the 'practical arts'); funding sources (more tuition, less government, more gifts); expenditures categories (arms races in facilities and hiring); staff mix (more part-time, less full-time); and outsourcing activities (Collis, 2004). The expanded periphery has also increased competition between and among institutions, requiring investment by institutions willing to spend money with the thought of making it (Dill, 2003).

The demand for higher education continues to increase in the US, due considerably to the greater need for training and credentialing in a knowledge economy, including the recognition among consumers that new technologies are widening the gap between the college educated and others (Collis, 2004). Much of this demand is being met at the periphery. There are ever more non-traditional students being served through the e-learning that advances in technology makes increasingly appealing; at the satellite campuses that public and private institutions are aggressively developing; and at the local branch of the rapidly expanding national for-profit providers (Collis, 2004; Berdahl et al., 2005). With the expanding periphery, the traditional student working within the academic core at universities and colleges is
now only 25% of market (Collis, 2004). The emergence of national for-profit providers has accounted for an impressive degree of the expansion in the non-traditional market. The University of Phoenix alone now has 200,000 students and is expected to reach an enrolment of 500,000 by 2010 (University of Texas System, 2005).

Lower appropriations and higher costs

Demand is not the only factor driving the increasing importance of the periphery in the search for the resources needed by institutions not only to maintain, but also to build. State financing of public higher education has increased, but not to the degree necessary to match escalating costs (McGuinness, 2005). The statistics are striking:

- states appropriated 7.3% for their available funds for higher education in 1970, but only 5.3% in 2000, allocating resources to pressing needs in health care, which consumes one-half of state budgets, as well as to corrections, homeland security, infrastructure, and primary and secondary education (Lee & Clery, 2004; Longanecker, 2004; Zusman, 2005);
- despite enrolment growth, state funding was 12% lower in FY 2004 than 14 years earlier, and 23 states allocated less in 2004 than they did in 2003, despite decent budget situations in many (Zusman, 2005);
- state funding as a proportion of the budgets of public institutions declined from 46% to 36% from 1980—37% of total operating budget at the nine research universities in the University of California system in 1990 to 21% per cent in 2004—with tuition increases comprising only two-thirds of what replaced lost appropriated funds (Zusman, 2005); and
- an increasing unpredictability even in annual state appropriations to higher education once made, with 27 states imposing mid-year reductions in allocations to public universities and colleges in 2003, including a 16% cut in Colorado and cuts of 5% or more in 11 other states (Zusman, 2005).

With the budget surpluses at the federal and state levels of the late 1990s and early 2000s becoming deficits over the past few years, forecasts are for these trends to continue, particularly as there is no return to 1990s levels of taxation (Longanecker, 2004; McGuinness, 2005).

Meanwhile, institutions themselves are spending more on basic services, including health benefits, technology and deferred maintenance, as well as on items such as energy and building construction (Lee & Clery, 2004; SCUP, 2005; Zusman, 2005). Furthermore, increasing competition has required selective institutions to discount tuition more, reducing the price paid for the most desirable students, and continue to invest in student amenities. Pursuing prestige, an obsession in US higher education, these institutions have also continued to invest in attracting notable faculty, pursuing federal research funding and intercollegiate athletics (an enterprise noted for losing money, but generating name recognition) (Brewer et al., 2002; Gayle et al., 2003; Toma, 2006). Finally, institutions are looking to control costs where they can. One approach has been to outsource various non-academic
functions, including bookstores, dining, health care, security, facilities maintenance, technology support, financial operations (budgeting, purchasing, billing, payroll, etc.) and even fund-raising (Lee & Clery, 2004; Collis, 2004).

Increased tuition and balancing priorities

Given the circumstances, the search for additional resources by institutions through expanding their activities with commercial potential seems only reasonable. There are not only more self-supporting part-time degree programs for working professionals at institutions of all types, but there is also more corporate and contract training, auxiliary services, attempts at private fund-raising and searching for research funding. Institutions have also responded by increasing tuition, exploiting other revenue sources and cutting costs. The numbers are, once again, telling:

- 13% of public institution revenue came from tuition in 1980, compared with 19% currently (Lee & Clery, 2004; Zusman, 2005);
- tuition increased 10% in 2004 (SCUP, 2005) and has increased over the past several years far more than median family income, adjusted for inflation (Gladieux et al., 2005);
- in real dollars, the tuition price of attending a four-year college increased from $1,900 in 1976 to $4,700 in 2003, and $900 to $1,900 at community colleges (Lee & Clery, 2004);
- the poorest families spent 6% of their income in 1980 to pay community college tuition and 12% in 2000, with a similar doubling from 13% to 25% for four-year public institutions (Lee & Clery, 2004); and
- meanwhile, both the states and the federal government have reduced their commitment to need-based aid and there has been a shift from grants to loans, beginning in the early 1980s, with loans now 80% of the mix as opposed to 25% in 1975 (Longanecker, 2004; Gladieux et al., 2005).  

Managing escalating costs borne by parents and students and concerns about increased indebtedness are increasingly the subject of political rhetoric, including on the federal level both by the Republicans, who have been in power and continue to run the executive branch, and the Democrats, now in control of both the House of Representatives and Senate. More thoughtful policy-makers and commentators are considering issues of inequity and effectiveness in increasing the use of tax policy to enable families to cover college costs (Gladieux et al., 2005). Also, some states have acted to limit tuition increases, often in essentially symbolic ways, such as announcing the tuition that entering students will pay across their four years of attending a given public institution, calling it a 'freeze' (Morphew, forthcoming).

In short, states expect institutions to balance access, affordability and quality. If nothing else, higher tuition has invited calls for greater accountability (Altbach, 2005). Furthermore, expectations related to furthering local, state and national economic development have long been pronounced and have never been greater—and there are also more university–community partnerships than ever (Enders, 2004;
Altbach et al., 2005). States are also interested in transfer from two-year to four-year institutions, and links between higher and secondary education, workforce preparation (particularly improving teacher education), and retention and graduation (especially for under-represented groups) (Coulter, 2003; University of Texas System, 2005). As states are both providers of higher education and overseers of it, the real issue is not if there is accountability, but whether accountability will be limited to proper topics measured in proper ways (Pusser, 2003; McGuinness, 2005).

**State initiatives and federal regulation**

States have imposed added responsibilities on institutions in several areas, most related to initiatives to enhance accountability, particularly in areas such as completion rates (which at 55% after six years are perceived to be low across higher education) (SCUP, 2005). States have been influenced by financial pressures, as well as by private-sector management ideas permeating the public sector; the discretionary nature of spending on higher education; and the large increases in public-sector tuition prices and resultant public concern over the affordability of college (Zumeta, 2001; Heller, 2002). For instance, states have instituted performance funding, performance budgeting, performance reporting (25, 35 and 42 states respectively, in 2003) (McLendon et al., 2006). Such accountability legislation is thought to be popular with voters (SCUP, 2005), but it has proved to be of limited impact—more reporting the data that is readily available than anything truly meaningful (Heller, 2002; Gayle et al., 2003). Institutions no longer expect that states will provide funds with no strings attached, but the strings have not proven particularly onerous (McGuinness, 2005).

Perhaps this is because the work of higher education—learning and investigation—requires limited intervention and control for effective performance (Schmidtlein & Berdahl, 2005). There is a difference between administrative authority, which is based in hierarchy and coordinated by superiors, and professional authority, so important in academe, which is individualized and marked by individuals having consequences. Nevertheless, 'there is a vigorous debate over what mix of market incentives and administrative controls are appropriate and effective for institutions to meet their public responsibilities' (Schmidtlein & Berdahl, 2005, p. 74). There is clearly a shift in external control, particularly by states, from reviewing processes to measuring student outcomes. In short, US higher education institutions now must explain themselves—especially their impact on the broader society—more to increasingly sceptical publics, and this has implications, at least symbolically, for governance (Dill, 2003; Schmidtlein & Berdahl, 2005).

Despite concerns about state, federal and even judicial intrusion into higher education, Zusman (2005) is reassuring:

the threat of governmental or electoral intervention into core academic affairs should not be overstated. To date, most policy makers' demands for evidence of student learning, increased faculty workload, and institutional performance on state-determined criteria have left much discretion to institutions to determine appropriate responses, though sometimes after extensive negotiations or discussions. Moreover, higher education institutions,
especially universities with strong alumni support, alternative revenue sources, and complex, loosely coupled structures, have considerable ability to adopt strategies to help retain institutional autonomy. (p. 145)

Keller (2001) is also encouraging, offering that faculty members have not compromised their individual autonomy and institutional authority in matters such as appointing colleagues and shaping the curriculum, even amid changes in academe, especially at leading institutions where so many faculty are individual entrepreneurs. Similarly, Longanecker (2004) contends that federal policy, particularly the upcoming re-authorization of the higher education Act, is more likely to be tinkering at the margins and much less significant than tax policy and federal earmarks (funds appropriated from Congress to specific programs). A 2006 commission called by the federal secretary of education, Margaret Spellings, raised concerns about the increasing price of and need for more efficiency in higher education, but it is unclear how policymakers will proceed.

Shifting staffing and less control

As they have focused more on the periphery, institutions have shifted academic staffing, relying increasingly on temporary, part-time and adjunct faculty (Gayle et al., 2003; Zusman, 2005). Non-tenure track faculty members now constitute nearly one-half of all faculty members, compared to 22% in 1970 (Collis, 2004a).7

Rhoades (2005) suggests why this matters. What he, Shelia Slaughter and Larry Leslie term 'academic capitalism', involving structural changes in academe focused on generating revenue for institutions and on enhancing the global competitiveness of corporations:

depends on a mode of production that fosters the growth of contingent faculty and non-faculty professionals relative to full-time, tenure-track professors. It also gives rise to a mode of management that strengthens the governance role of central academic managers relative to that of faculty. (Slaughter & Rhoades, 2004, p. 38)

Indeed, reforms in higher education in the 1990s primarily focused on improving management, and generally increased the influence of administrators and government, while reducing that of faculty (Altbach, 2005). Moreover, the ratio of faculty to administrators is now approximately 1:1, a change from a 2:1 mix favoring faculty in 1976 (Collis, 2004). While administrative and professional staff increased by 15% between 1993 and 2001, full-time faculty expanded by only 3.4% (Lee & Clery, 2004).

Non-regular faculty have little role in shared governance, of course (Keller, 2004). Furthermore, research university faculty, in particular, tend to emphasize their disciplinary and professional affiliations more than their institutional one (Collis, 2004). So, with more part-time faculty and fewer senior faculty interested, as well as with the increase in faculty unions in some sectors, shared governance has become less participatory (Keller, 2001, 2004; Bergan, 2004; Kezar & Eckel, 2004). Academic capitalists, according to Rhoades (2005), regularly bypass shared governance mechanisms, connecting directly with those outside of the university, seeing themselves as small
business people (like presidents identify with CEOs). Birnbaum (2003) argues that as institutions become less academic and more managerial in nature, with faculty roles decreased and reliance on rational management increased, there is less mutual trust across institutions, social networks erode, and there is a loss of legitimacy. Universities and colleges become more 'process cultures', he suggests (citing Deal & Kennedy, 1982), and justice becomes procedural, looking not at outcomes or even fairness, but instead at process. Institutions have not dismantled traditional structures of faculty governance, but they have been supplanted with new structures that allow managers greater discretion, as with external advisory boards. Increasingly, strategic planning and administrative flexibility are esteemed and market criteria and revenue generation trump educational standards such as in basic academic decisions about salaries, reorganization, staffing, and so on (Rhoades, 2005).

Institutions thus need to manage greater complexity than ever, while competing more directly and intensely than ever, whether for students or resources (Lee & Clery, 2004; Collis, 2004; Zusman, 2005). Collis (2004) cautions against mission creep, where 'each succeeding tier of the periphery pursues new directions of its own accord' (p. 63), risking expanding everywhere into the periphery and failing to commit sufficient scarce resources to any one venture—the inability to prioritize, in other words. Here, the expanding periphery can weaken not only the core, but also the periphery itself. In the corporate sector, the traditional core of many companies is shrinking as activities such as information technology, logistics and even manufacturing are outsourced, while peripheries are expanding through alliances, joint ventures, partnerships and long-term contracts (Collis, 2004). The result is the same scope of responsibilities, just less authority over them by those involved in the core—less control over more activities and constituents (Collis, 2004; Enders, 2004). The challenge of governance in US higher education is not over the core, but over the periphery and the ambiguity in roles and responsibilities there.

Prospects for improvement

Duderstadt (2004) asks whether it is realistic for shared governance mechanisms developed years ago to serve the contemporary university and rapidly changing society. No one argues, however, that shared governance should be abandoned, but there are improvements likely needed. In fact, there are arguments indicating the strength of the approach. Birnbaum (2003) argues that the standard perception is false that shared governance is not sufficiently responsive and is too slow. Institutions are responsive to the external environment and a deliberate process is preferable to bad decisions made quickly and a failure to protect the university against commercial intrusion. Kaplan (2004) concludes there is scant evidence that shared government limits effective management, citing the positive view of shared governance and relations between faculty and administrators, particularly at smaller institutions. He also found a general perception that faculty have not lost power over time, that faculty continue to influence policy and that they still have significant authority in decision areas where they claim the greatest expertise and demand their
voice to be pre-eminent. The latter includes the curriculum, degree requirements, appointments and promotions—as opposed to budgets, strategy and facilities, which is more appropriately left to the senior administration.

There are, however, several practical suggestions for improving governance in US higher education. Collis (2004) suggests reducing the size of boards to a more workable 12 or so members; having knowledge outsiders, such as presidents of other institutions, as members and not just business persons; having the board set its own budget and agenda to encourage more independence, particularly on the audit, compensation and governance committees; and moving away from the ‘heroic’ presidency towards more of a team approach (Collis, 2004). Accountability demands might be served by having more constituent types represented on boards (Ehrenberg, 2004) and ending patronage in board appointments would similarly help (Duderstadt, 2004). Boards might also embrace the principles of the federal Sarbanes-Oxley legislation written in response to the Enron and other corporate governance scandals. These include items such as having a separate audit committee; leaving compensation decisions to independent trustees (those with no financial relationship with the institution); developing clearer policies on trustee conflict of interest; and instituting term limits for trustees to limit excess influence (Dreier, 2005).

Other suggestions are more conceptual. Rhoades (2005) recommends modifying governance models to make higher education more accountable for societal enhancement, as opposed to just focused on revenue production, and suggests doing so by systematically engaging a broad range of external stakeholders. Kezar (2005) argues for radical changes following the model from business process engineering. Institutions might also concentrate on developing and maintaining their core identity, perhaps decreasing their scope and honing their focus to avoid the paradox of scope problems that Collis (2004) expresses (Tierney, 2004a, 2004b). Tierney (2004b) also suggests applying a cultural perspective through various actors mutually demonstrating trust, and faculty, administrators and trustees alike ‘walking the talk’. Others recommend strategies based on broadening support, opening communications, collaborating with peers, clarifying mission and vision, and using evaluation and assessment (Gayle et al., 2003).

Duderstadt (2004) reminds institutions not to neglect core principles such as freedom of inquiry, love of learning and openness to new ideas. He also stresses the importance of having those holding academic values permeate all levels of governance, as well as involving faculty in core academic decisions and consulting them on funding priority issues. Altbach et al. (2005) suggest focusing on the balance between the autonomy represented in academic freedom and accountability, as too much of the former can make institutions non-responsive. They encourage concentrating on the substance aspects of academic freedom through developing partnerships across and outside institutions, and avoiding framing the ideal as merely procedural (Altbach, 2005). Keller (2004) suggests balancing the concept of academic freedom with the ‘administrative freedom’ to make hard decisions and beneficial changes. He adds that faculty influence should be greatest at local level and less controlling at university level, where the interests of other constituents must also be considered.
Keller suggests that faculty influence at the university level should be to help solve a major problem or provide advice on a significant issue and then any committee formed should dissolve. He also underscores the importance of recognizing institutional differences and of having different systems of governance at different types of places.

Kezar and Eckel (2004) contend that research on higher education governance should not be based solely on structural and, to a lesser extent, political theories, but should instead focus in future on human relations theory (how people relate to one another); social cognition theory (how organizations and individuals learn); cultural theory (how what is good governance varies by culture); and open systems theory (how units interact). In other words, people and processes within open systems are important, and not simply bureaucracy, rationality and even organized anarchy and a focus on efficiency, effectiveness, participation and responsiveness (Kezar & Eckel, 2004). The question of who makes what decisions remains unclear US higher education, and trends toward more activities on the periphery, in particular, complicate the matter. Better understanding the governance of US higher education needs to begin here.

Notes

1. Chait (2006) offers a few illustrations, including cases of excessive compensation packages and lavish expense accounts that, once revealed, triggered the dismissal of a president (American University); a nearly $2 million buyout at Boston University of a president designate; and trustees at George Mason University and the State University of New York pressing to determine the content of the curriculum and even particular courses.

2. Strategic decisions are also different based on institution type: whether institutions are prestige-based (with few objective criteria of performance); prestige seeking; or reputation based (focused on serving student needs) (Brewer et al., 2002; Dill, 2003).

3. In addition, demographics are also working to increase demand, including the echo of the baby-boom generation (Collins, 2004). Enrolments have become more diverse, with increasingly traditionally under-represented groups, such as Hispanics and African Americans; more women, who are now outnumbering men dramatically in many higher education sectors; and more students with limited financial resources (Longanecker, 2004; University of Texas System, 2005).

4. McGuinness (2005) notes that tuition, while increasingly markedly, was low to begin with, particularly when compared with the price charged by private institutions. Public institutions continue to charge less than what it costs to educate their students (Gayle et al., 2003). Also, the contribution by states continues to be significant—an average of $7,608 per full-time equivalent student (Markowitz, 2006).

5. There is little concern, of course, that measures of student success, such as graduation rates, are rudimentary (Zusman, 2005).

6. Open meetings and records laws—so-called 'sunshine laws'—increasingly apply to higher education, particularly given the broadening interest in accountability for public spending and evolving arrangements for funded research, technology transfer and corporate support (McLendon & Hearn, 2006).

7. Meanwhile, newer faculty members in tenure-significant appointments are more diverse, including in terms of race, ethnicity, and gender, and tenured faculty are aging (Kezar & Eckel, 2004).
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