The Business of Academia:

Challenges for university leadership as the knowledge industry becomes big business.

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Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; and, any editorial work, paid or unpaid, carried out by a third party is acknowledged.

Alison Fincher
Student # 2104518U

October 26 2007.
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Alison Fincher
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Summary

This thesis examines leadership in universities, in the context of changing times, as community expectations broaden to require not only academic excellence, but also high standards of management accountability. The impact of the volatile higher education environment on current university leaders, and the challenges they face, now and in the future, lies at the heart of the thesis. It will be shown that the demands of this complex environment call for additional personal and professional skills.

Primary importance is given to the methods that university leaders are using to deal with the potentially conflicting demands of their academic and professional management roles. The study is conducted in a context where conflicting demands are increasing in the higher education environment, where universities are now more dependent on private sources of income, and are increasingly managed as big businesses in response to developments in their size, complexity and annual budgets.

A selective review of the literature highlights the nature of generic business leadership theory. Literature which addresses the higher education environment, universities as organisations, university management structures and university leadership is also reviewed. Specific references were used to assist in generating the interview questions, and in analysing the subsequent results.

The primary research was designed to explore ways in which the experience of individuals in the field supports the view of the literature with respect to changes in university leadership. In addition, it was designed to provide new information from the interviewees, with respect to the challenges of their roles and the skills they employ to deal with the issues that confront them. Eighteen interviews were conducted with university executives and other higher education experts. A thematic review of the interview data and a further theoretical analysis, using the concept of dilemma reconciliation, revealed a broader and deeper picture of issues of higher education leadership, through first hand accounts, than has previously been available.

Eleven dilemmas confronting contemporary university leaders emerged from the analysis of the interview transcripts. They generally relate to the transformation of universities from fully funded public institutions to largely privately funded institutions; a change which has forced them to act as commercial, competitive enterprises, while subjected to ever-increasing scrutiny of their professional management standards. Generally, these dilemmas would be unlikely to occur in a different external higher education environment. Some approaches being taken by the interviewees to reconcile their management dilemmas are noted.

The conclusion of the dissertation provides additional comment with respect to the key dilemma, that of changing university fund sources concurrent with an increase in public scrutiny and demands for
business rigour; the steps that will be required to bring this dilemma closer to reconciliation, and the role university leaders will play in that reconciliation.

The results of this study indicate that, whilst the process of reconciliation of this dilemma is progressing, that progress appears to be in reaction to and as a result of the demanding higher education environment, with the necessary leadership skills being developed in response to the pressures being experienced. In future, a more planned, systematic approach to the inclusion of appropriate skills in university leaders could see a stronger development of the management professionalism which is increasingly necessary in contemporary universities.
Chapter 1
Introduction

An overview of the thesis

“Although we have, as a nation, a competitive edge in education, we are frittering it away. The bottom line is that universities are big businesses. Unfortunately, they are largely run by academics rather than competent business managers. University business schools teach corporate governance, but the universities don’t practise it. Our universities need professional management” (Hewson, 2005).

1 Introduction

1.1 Research subject

The title for this study is:

‘The Business of Academia: Challenges for university leadership as the knowledge industry becomes big business.’

No longer purely an academic symbol or figurehead with a group of genteel pursuits of scholarship and academe, the contemporary university leader is akin to a high level executive in a large public company, responsible for strategy, fundraising and maintenance of academic standards, as well as providing guidance in governance for a large enterprise. As roles change in the current higher education environment, there is increasing reference to the analogy between universities and businesses, raising questions when used in the context of higher education that are difficult to answer in accepted corporate terminology. The Chairwoman of the Universities’ Chancellors Committee, and Chancellor of the University of Technology, Sydney, Vicki Sara, is quoted in the Australian Financial Review, on this changing higher education environment:

‘Universities are run as businesses but the critical issue is: what’s the business? …. Are we about value to our shareholders? Who are our shareholders? Universities are unique in that our shareholders are the future generation. We’re in the business of knowledge. It’s both creating new knowledge and transferring that knowledge through education.” ’ (Crisp, 2007)
As universities evolve, the effects on their leadership and the complex issues which arise in this changing environment are significant. This research begins to address them. Universities exert a major influence on the shaping of coming generations and thus the future world; they shoulder the pressing responsibility of educating many young adults with the skills they will need to manage the world of the future. While the purpose of universities and the work they do has not changed, the circumstances in which they do it are now vastly different from those of the past. Universities have always educated future generations and pursued new knowledge, but as the world around them has moved from the age of the dilettantes to a time where universities are expected to provide evidence of ‘giving value’ and to compete for customers, the roles of their leaders are under review. This study has the practical purpose of adding knowledge and making recommendations with respect to the issues under consideration, rather than pursuing purely philosophical enquiry. Chapter 1 provides an overview of the context for the research; namely, the turbulent higher education environment, where requirements of business management parallel academic leadership in universities as equivalent forces.

1.2 Rationale
This research is important because universities are important; the effectiveness of university management and leadership matters because universities matter. Democracy, collegiality and academic freedom in universities have their origins in the ideas of von Humboldt, whose philosophies of the early nineteenth century became known in the English speaking world through John Stuart Mill’s essay *On Liberty*. Von Humboldt, who was instrumental in the establishment of the Berlin University in the early 1800s, described the role of liberty in pursuit of excellence and individual development, as well as the necessary conditions without which the state should not limit the actions of individuals. It could be said that the reflections of contemporary writers Macintyre and Marginson (2000) derive from these early philosophies of von Humboldt, when they observe that universities in Australia were established as public institutions serving public purposes: “the preservation and advancement of knowledge, the preparation for professional careers in a broad intellectual setting designed to foster inquiry, the pastoral approach to the formation of personality, a capacity to reflect on public issues and an explicit role in building national institutions and national identity” (p.69).

University annual budgets are now typically hundreds of millions of dollars. Australian universities of the 21st century are larger and more complex than their predecessors, and they are operating in a complex environment where external pressures and competing priorities from government, the community and from industry are shaping internal patterns of university management and leadership (Mignot-Gérard, 2003, p.137; Kezar and Eckel, 2004, p.371). Such intense environmental pressures place greatly increased strain and responsibility on higher education leaders, as they attempt to make wise choices, in the best interests of their institutions (Kezar and Eckel, 2004, p.371).

The research explores leadership in universities, in the context of changing times, as community expectations broaden to require not only academic integrity, but also high levels of management accountability and financial management expertise, as universities generate increasing proportions of
their own incomes. The conservative philosophical orientation of the Australian Federal Government through its “Nelson Reforms” has been significant in recent changing demands on university management. Dr Brendan Nelson, Minister for Education, Science and Training for the Australian Federal Government from 2001 - 2006, introduced a series of radical changes to Australia's higher education system, simultaneously imposing more direct government control over the management of universities whilst also allowing them to earn more revenue by charging higher fees to students. This has been seen by many as the most significant change in the management of Australian Universities for many years, since the Dawkins reforms of the late 1980s and since the establishment of mass higher education in the 1960s. The Nelson approach emphasises diversity, status differentiation, research quality and student debt in an open market, and income contingent financing (Marginson, 2005). The adoption by universities of business practices to improve efficiencies has become obligatory. “The incursion of managerialist operating has forced both academics and administrators to change their way of thinking and operating. For academics, it is a shift to what Slaughter and Leslie (1997) term ‘academic capitalism’ and the development of entrepreneurial knowledge to protect traditional academic values and expertise. For administrators, it is a shift to viewing their work as a professional service which....... is integral to the success of both the institutions in which they work and the sector as a whole” (Conway, 1998).

Against the background of changing demands on universities as organisations, it is important to determine the influence such transitions have on current university leaders, and to explore the extent to which they require expanded skill sets, the better to equip them for managing the complex and potentially competing requirements of academic and business accountability.

1.3 Research objectives and questions

The objective of this research is to review and evaluate the increasing importance of professional business management in universities, and to explore and interpret the ways in which changing demands have resulted in enhancement of the leadership skills and qualities required of contemporary senior university personnel. The research therefore explores issues arising from the impact of this changing environment on university leadership, and the attributes required to be successful as a leader in a contemporary university.

The primary research question is:

“What, according to university leaders, are the main management challenges they face now, and in the next five years, as both the business performance and the academic prowess of universities are rigorously scrutinised?”

Subsequent or secondary questions which are also considered are:

“What qualities do university leaders perceive they need to deal with these potentially competing demands?”
“What qualities are thought to be required by future university leaders to best prepare them for future demands? And

“How can we make sense of the main management challenges facing university leaders, and the approaches they are taking to meeting those challenges, in ways that might be helpful for other practitioners?”

It was the intention of the researcher to explore these questions through a study of relevant literature and through interviews with experts in the field, to make sense of the issues confronting university leaders in the current higher education environment. A thematic analysis of the results has been conducted, to understand the perceptions of the interviewees; a further theoretical analysis, using an illuminating conceptual lens taken from the literature, has also been completed, in order to articulate the resulting insights which go beyond the understanding gained from the thematic summary of the interview results. By this process the study has moved beyond the information provided by individual interviewees, to reveal a broader and deeper picture of issues of higher education leadership and management than has previously been available. A key goal of the study was therefore to make sense of the issues confronting university leaders in the current higher education environment, in ways that might be helpful for other practitioners in the future.

1.4 Aims and significance

This research is designed to add to the body of knowledge on leadership, in the higher education sector. It reviews the methods that university leaders are currently employing to deal with the divergent demands of the business and academic management components of their organisations, and it identifies the personal and professional attributes on which they draw to respond to these challenges.

Of primary significance to the research is the extensive reporting and analysis of first hand accounts from university leaders, providing insights into the issues with which they are currently dealing, and the changing management experiences that characterise their roles. The study sets out to identify the true nature of current university leadership roles, and to provide new information to affirm the need for a broad range of both business and academic management skills in such positions.

1.5 Research context

1.5.1 The changing university environment

An examination of the literature surrounding issues of management and leadership in higher education reveals a turbulent sector which, since the establishment of Australia’s first university in Sydney in 1851, has seen massive growth and many changes (Henkl 2002; McClenaghan, 1998).

The current higher education work place is characterised by the rise of a powerful business imperative, rivalling the singular importance once held by leading academics in determining the direction a university should take. “Universities in Australia have been characterised by change …… this change
has included the growth in recent years of a cohort of professional administrators whose role does not fit easily into romantic perceptions of isolated guilds of scholars” (McMaster, 2002, p.1).

The emergence of this powerful management focus is in part a result of the recognition that “…an educational institution is as similar an operational enterprise as any other non profit or capitalist enterprise, and is subject to the same forces that influence the traditional enterprise environment in the traditional market place” (Clark, 2000, p.2).

It is reasonable to expect that our universities will be managed not only with proper recognition of academic values, but also with the skills which would normally be required of leaders charged with the responsibility of managing any institutions of significant size and complexity. This study explores the complexities of this situation and reviews the challenges confronting leaders as they manage the significant organisational changes that are taking place in contemporary universities.

1.5.2 Increases in institutional size

Total student enrolments in Australia in the 1930s were in the order of 14,000, but the 1950s saw a significant increase in government acceptance of responsibility for universities, and consequently further expansion in the sector. 1964 saw the development of the binary system of higher education, emulating the British system, with universities focussed principally on research, and colleges of advanced education established for more vocational pursuits. Massive growth in student enrolments in the 1970s led to an explosion in the number of higher education institutions in Australia, but this number was in turn reduced by the 1980s, after a series of forced amalgamations, resulting in a massive reduction in the number of higher education institutions and a change in their size, from typically 4,300 students in 1982 to an average size of 14,000 in 1991 (Gallagher, 1993, p.23). Student numbers continued to accelerate, with some 340,000 students enrolled in the sector in the early 1980s. By 1998, this number had grown to over 650,000; with the consequence that government has increasingly become interested in the sector and in ensuring that it is operating effectively, with maximum financial efficiency (McClenaghan, 1998, p.3).

Universities have grown in size, with even greater heights reached in the last ten years. Student enrolment numbers from several major Victorian universities, for example, are shown in the following table (which was constructed by the author) indicating an average student population amongst these six institutions of 43,261; several times the average size of 14,000 in the early 1990s. Such figures are evidence of institutions which are comparable in size and complexity to significant government and commercial organisations. University annual budgets are now typically hundreds of millions of dollars; in the table below, for example, annual revenues are also indicated.
<table>
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<td>RMIT University</td>
<td>56,464 Total (HE 34,107; TAFE 22,357) RMIT University (2005)</td>
<td>$560million RMIT University (2004)</td>
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<tr>
<td>Victoria University</td>
<td>46,735 Total (HE 20,393; VET 26,342) Victoria University (2005)</td>
<td>$322million Victoria University (2004)</td>
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| AVERAGE          | 43,261                        | $543million |

Table 1 University student enrolment numbers and annual revenues

An immediate consequence of these changes has been the dramatic increase in responsibility for the managers of these larger, more complex institutions (McClenaghan, 1998, p.3).

1.5.3 Increases in institutional complexity

Australian universities of the 21st century are not only larger, but are also more complex than their predecessors. After the structural changes of the 1980s and 90s (McClenaghan, 1998) universities have also faced increasing diversity of student cultural backgrounds, with both local and international students of varied ethnic origins. This increase in the diversity of the university community has added significantly to the complexity of the management challenges. In parallel with these cultural changes, the burgeoning information technology sector has had a major impact on the way knowledge is communicated, with institutions of higher education significantly changing their approaches to research and to teaching (Rantz, 2002).
It is increasingly evident that it will be important for the leadership of universities in the future to deal efficiently with these complexities of the changing higher education environment, as well as issues of consumer demand, community networking, money raising, communication, and ethical standards (Rantz, 2002).

A further ramification of increases in institutional complexity is the broad range, and changing profiles, of stakeholders with interests in issues of university management.

1.5.4 Changing stakeholders; the paying customer

A significant change in the profile of today’s university community is the increasing importance of the ‘paying customer’, and that change has consequences for university management strategies. “Until recently it would have been unthinkable for academic staff at any university to attend seminars on marketing strategies….now such corporate activities are common in public universities…..academic staff at (one) university attended……a strategic planning day. They spent the morning discussing marketing strategies. The afternoon was spent learning how to do business with industry. These activities appear to signal the acceptance of public universities as commercial enterprises” (Russell, 2004).

The ‘paying customer’ group is emerging as a powerful stakeholder, with a strong voice in the way contemporary universities are managed (Clark, 2000; Rantz, 2002). As a result of the introduction of the HECS system in Australian universities, most university students are paying for at least part of their education. In addition, the increase in availability of full fee paying courses and an increase in the numbers of international students who are choosing to study at Australian universities and pay significant tuition fees, has seen the increasing dominance of the ‘paying customer’. Universities are now operating in a competitive, international marketplace and the selling of education services is big business. With the development of this competitive market, the broadening phenomenon of consumer demand in education has become a major management issue. As noted by Clark, “In the context of educational leadership, there is a need to recognise the emergence of consumerism as a force in recent years…………the public at large has shown an increased interest in entering the debate on the goals and outcomes of education” (Clark, 2000, p.3).

1.5.5 Accountability and corporate style management

As these changes have emerged, in part leading to more financial emphasis in university management as well as the provision of different, more complex and more extensive services, the corporate approach to university management has crept into the world of higher education. As noted by McClenaghan, “We are familiar with the practices of managerialism: devolution and decentralisation; corporate and strategic planning; mission and goal orientation; outcomes; customers; performance; benchmarking; best practice; enterprise bargaining; contract employment; performance pay…and so on (Kimber, 1997). This language, this new philosophy of government and work has been thrust into the culture of universities” (McClenaghan, 1998, p.3).
Further evidence of these changes is an increase in public demand for accountability in the sector; universities have become ‘big businesses’ and they are now required to be more transparent in their processes and more accountable (McClenaghan, 1998, p.3). The trend to impose managerial practices in universities, and the impact of this corporate culture on the responsibilities and activities of university leaders, has dominated university leadership in recent times.

1.5.6 Summary of the changing higher education environment

The changing higher education environment and its resultant impact on the strategic management of universities presents challenges to contemporary university leadership. The turbulence of this sector in the last decade requires leaders to have the skills not only to manage change, but also to manage in times of change. With the emergence of an increasingly business based paradigm in the management of higher education institutions, educational leadership is increasingly concerned with the strategic issues which influence any typical enterprise organisation in the market place (Henkl, 2002, p.31; Clark, 2000, p.2). This emerging business paradigm and the impact of an increasingly managerial approach on the leadership of higher education institutions has led to changing management responsibilities and practices of university leaders, who now could be seen as executives of “…businesses, (which are serving) customers,……(are) entrepreneurial, and ….now more accountable” (McClenaghan, 1998, p.3).

Whilst the collegial approach to university leadership is still cherished by many university personnel, particularly those of academic background, more corporate models and the evidence that business management leadership principles are increasingly finding their way into university life cannot be ignored.

1.6 Methodology overview

1.6.1 Overview

The methodology for the research is set out in Chapter 2; key features from that chapter are noted in the following section.

1.6.2 Literature search

Prior to the collection of primary data, a selection of the literature was reviewed providing relevant background material to inform the research interviews and the subsequent data analysis. The review provided a context within which the primary research could be conducted, drawing on the literature dealing with business leadership, higher education organisations, leadership in universities and the management challenges which are present in the sector. Sources from the literature provided the basis for the development of the interview questions, as well as the analysis of the research results.

1.6.3 Research paradigm

The research design for this enquiry was qualitative, within the realist paradigm. Realism is situated in the ‘middle ground’ between extremes of positivist and interpretive research (Stiles, 2003). This
research project adopted a realist perspective, as the researcher believes that there is a ‘real’ social world within university leadership which could be exposed to some extent through the perceptions of the research participants. Realism accepts the phenomenological view that access to objective social reality may be partial or incomplete; in addition, however, realism proposes that the social world can be explained using theoretical frameworks to assist in determining the underlying mechanisms influencing people’s actions (Stiles, 2003, p.265.). The realist perspective addresses both the social environment and its underlying structures; observations of research participants are explored because they provide a window to this real world, which exists beyond their perceptions (Healy and Perry, 2000, p120).

Realist research is characterised by the use of theory to guide the primary research process, in conjunction with production of qualitative data which is rich and subjective, collected in natural locations. It is both inductive and deductive, where theory is used to explain observations from the social world (Stiles, 2003). Consequently, this research project used interviews with a small sample of senior university and other executive personnel to generate the data, conducted generally in their workplaces or other natural locations, with themes for the semi-structured interview questions generated from the literature. The detailed information resulting from the interviews is subjective, in that it expresses the opinions of the interviewees. In this instance, however, the information collected from the interviews can be considered to be quasi-factual, given the expertise and standing of the interviewees. As vice-chancellors, chancellors, senior academic and administrative personnel and executive search consultants specialising in higher education management, the interviewees are experts in their fields. As a result, these expert opinions are used to provide deep information and insight into the issue of contemporary university management. Consistencies in the results have been sought to discover if any theories can be generated with respect to explaining underlying factors that present problems for contemporary university leadership. This research therefore falls undoubtedly within the realist paradigm.

1.6.4 Primary data collection

Interviews
The research interviews were designed to ascertain ways in which the experience of individuals in the field supports or contradicts the views presented in the literature with respect to changes in university management, and the resultant challenges to leadership. They also set out to seek new information from the interviewees, with respect to the current and future implications of these challenges for leaders in this sector. Individual discursive interviews were held with eighteen informants: vice-chancellors, chancellors, senior academic and administrative personnel and executive search representatives who specialize in higher education management, who are experts in their fields. Each of these interviewees was at the time, or previously had been, in a leadership role in a university, or in a position to provide an opinion on the issues being explored. Seventeen interviews were conducted face-to-face and one by email. The personal interviews ran for an average of ninety minutes, exploring a number of themes on the challenges of higher education management. At the time of the research, the interviewees represented eight different Australian universities and two executive search agencies.
Sets of pre-designed interview questions prompted an extensive discussion on the themes under consideration. An article from the literature exploring leadership attributes in relation to ‘willing co-operation’ (Mastrangelo, Eddy and Lorenzet, 2004) assisted in the development of many of the interview questions and in generating discussion. The interviewees were invited to raise other relevant issues at the ends of their interviews.

**Analysis of results**

A method of agreement approach was used to compile the results, identifying themes from the literature and observations of regularities or patterns in the responses (Neuman, 1991) to provide a basis by which the data generated from the interviews could subsequently be analysed. In this instance the technique was used to derive broader accounts of university leadership from the individual accounts revealed through the interviews, as is typical of research in the Realist paradigm.

The resulting data was analysed through the ‘lens’ of a conceptual framework that captured the kinds of dilemmas currently faced by university leaders. The overarching issue of the need for universities to generate their own funding, in the context of increasing government scrutiny and the need to maintain academic integrity, was reviewed in the context of dilemma reconciliation theory, to identify any means by which its resolution might be progressed. The role of leadership in reconciliation of this dilemma was considered.

The analysis of the results was also compared to the themes identified in the literature review, with consistencies and contrasts noted. This analysis has then been progressed further in Chapter 6, Conclusion, where the potential for resolution of the dilemmas has been further considered and suggestions for resolution made, in order to extend the current knowledge of this area of management practice – a key outcome for this study.

1.7 **Key points from the literature**

1.7.1 **Overview**

A selection of the literature surrounding issues of contemporary university management and leadership has been reviewed in Chapter 3 with respect to generic business leadership, universities as organisations, university leadership, and the increasing external pressures and resulting tensions on universities of the current times of change. Key issues identified are summarised in the following section.

1.7.2 **Leadership in business**

A review of a selection of articles, from the extensive literature dealing with business leadership, identifies several ways in which the behaviour of leaders can be characterised. Much of the writing highlights particular personal qualities and skills which regularly appear in the demeanour of successful leaders; a further set of references discusses the means by which leaders relate to their
organisations; a third theme identified in the literature explores the relationships of leaders to their followers, and the effect this has on successful organisational management.

A reference exploring the professional and personal attributes of leaders in effecting the willing cooperation of followers (Mastrangelo, Eddy and Lorenzet, 2004) was chosen for use in generating questions for discussion during the interviews. This article assisted in structuring the question sets which gave rise to discussion on the importance of the professional and personal skills of the interviewees, many of them higher education leaders, in carrying out their roles.

1.7.3 Universities as organisations

Literature on universities as organisations demonstrates that universities have been undergoing change in their management structures, to embrace in many cases a more corporate style of management than the traditionally collegial approach which characterised academic institutions of the past.

Early reviews of the organisational management of universities depicted institutions with ‘collegial’ management structures, where democratic processes were used to determine policy and institutional direction (Mignot-Gérard, 2003; Brundrett, 1998). Typically, senior academic personnel have dominated these significant decision making processes. Universities have frequently been described in the literature as ‘loosely formed’ organisations, with references to free flowing, fluid organisations which are perceived by many to have limited manageability (Lockwood and Davies, 1985).

In contrast to the traditional models of university structure and management, recent literature describes significant changes which have taken place as universities adopt more corporate models of management and structure (Marginson, 2000). Higher education institutions are seen to be successfully adapting to their changing circumstances and external pressures by assuming many of the practices of corporate business management in their governance (Sotirakou, 2004).

1.7.4 University Leadership

There is a significant literature which highlights the importance of symbolic leadership in universities, and in particular the sense in which the vice-chancellor must embody the academic goals of the university (Mignot-Gérard, 2003). This aspect of university leadership is reinforced by those who espouse the collegial, traditional approach to university management. Leadership in the management models of universities described as ‘loosely formed’ organisations is seen to be highly devolved, and in the opinion of some authors, limited and weak (Cohen and March, 1974, cited in Mignot-Gérard, 2003).

Leadership in universities where, in recent times, a corporate management approach has been adopted, displays characteristics more akin to that found in business enterprises, where strategic planning and a more entrepreneurial attitude are the norm (Henkl, 2002; Clark, 2000). Dramatic change in the leadership roles of senior higher education personnel in recent years includes the emergence of new super hierarchies of senior university executives, with the role of the contemporary vice-chancellor...
changing to emulate that of the CEO of any large business. Deans who have typically progressed through academic university ranks are now undertaking senior management duties with clear lines of accountability to the vice-chancellor (Henkl, 2002).

1.7.5 External pressures on university management and leadership

The literature review illustrates that external pressures are currently having a significant impact on universities. These pressures include changes required by government as various higher education reforms are activated, competing priorities from the community and a requirement for more efficiency and transparency in university operations; all within the context of significantly reduced government funding (Mignot-Gérard, 2003; Kezar and Eckel, 2004) and a need for universities to generate new private sources of income.

1.7.6 Leadership Tensions

The literature shows conflict arising within university management, as these institutions struggle to balance corporate management styles with the more traditional, democratic approach of collegial leadership. With increasing accountability demanded by the community and governments, and universities focussing outwardly toward their paying customers, traditional approaches to university leadership and management are being challenged.

Although it appears to be an almost impossible demand for a university leader to provide the qualities required of a CEO, or senior business manager, in conjunction with those of an academic leader of significant reputation, it also seems difficult for universities to choose between academic or purely corporate style leaders. The ideal profile for a higher education leader and the qualities required to undertake such a role appear to be very different from those of the past.

1.7.7 An important gap in the literature

The extensive literature on leadership and on the university sector generally provides a comprehensive background for this research study. Whilst there is a diverse array of information available, however, there is not a great selection of detailed first hand accounts from current university leaders. In particular, although the higher education literature highlights the new challenges and difficulties that are facing university leaders, the literature does not yet contain sufficient research findings about how university leaders are attempting to meet those challenges. It is this gap in the literature which this research study will begin to close.

1.8 Structure of the thesis

The formal subject matter of this document is preceded by a brief summary, outlining the key issues identified and dealt with in the study. In order to explore the research objectives and to answer the research questions, this thesis is structured in the format described below.

This chapter, Chapter 1, ‘Introduction’, has presented the research subject, proposed the research objectives and questions around which the study is focussed, its aims and its significance. A summary
of the research context, the higher education environment is included; the research methodology is briefly described and the major points which arise from the literature are highlighted. The thesis structure is outlined.

Chapter 2, ‘Methodology’, sets out in detail the approach taken by the literature review, the design of the primary research, the rationale for the chosen approach, and details of specific processes undertaken fruitfully to achieve and analyse a legitimate pool of qualitative information.

Chapter 3, ‘Literature Review’, presents a review of selections of the relevant literature, including reviews of leadership in businesses, the higher education environment, universities as organisations and university leadership issues. Two specific references are selected and highlighted; one for use in the primary research to assist in developing the interview questions and generating information from the interviews, the other used to assist in the analysis of the results of the interviews.

Chapter 4, ‘Results’, presents the findings of the primary research, summarising the themes which emerge from the transcripts of the interviews, and incorporating a significant number of extracts of the discussions.

Chapter 5, ‘Analysis’, discusses the results of the primary research, using one of the texts as a tool further to review and analyse the results in terms of dilemma reconciliation. The results are also compared with the findings from the literature, and consistencies and contrasts are noted.

Chapter 6, ‘Conclusion’, briefly summarises the findings, reviewing them with respect to the research questions being explored, and highlighting the key research outcomes. A review of the foremost dilemma for university management is assessed in terms of dilemma reconciliation theory and the means to progress the dilemma towards resolution contemplated. Potential directions for future research are also noted.

A bibliography of the literature referenced concludes the document.
Chapter 2

Literature Review

A selective review of writings on theories of Management and Leadership in Universities

2 Literature review

2.1 Literature review introduction

The purpose of this chapter is to review a selection of discussions on different approaches to researching leadership within the business context, followed by a range of theories concerning effective organisational structure, management and leadership in the higher education sector. The chapter also discusses the literature describing external pressures on universities, and reviews significant internal tensions, thus highlighting the challenges which arise for leaders of higher education institutions as they respond to demands to operate effectively in the current environment. The generic leadership literature is compared to the review of relevant higher education literature, thereby identifying consistencies and contrasts between the theories which arise when considering effective leadership in the higher education sector.

The literature addressing management and leadership in higher education institutions depicts a sector where ideologies are in conflict, where power is exercised by groups of conflicting players, where personnel do and do not co-operate, and where turbulence has characterised the external environment leading to the exertion of significant pressure for change on internal university managements. Much of the research explores the organisational models and leadership approaches that characterise higher education institutions, in conjunction with typical decision making processes and issues of strategic management. Other literature focuses on external pressures from governments on higher education reform, and their impact on the changing internal processes of university governance (Mignot-Gérard, 2003, p.137).

Interest in organisational effectiveness has become a central preoccupation in universities, as they respond to pressure to demonstrate public accountability. Studies reveal that to be effective, universities need to manage simultaneously a variety of seemingly paradoxical organisational pressures (Pounder, 2001, p.284). Much of the research into leadership and organisational effectiveness has been conducted in the context of conventional profit making business organisations, and does not directly describe activities in the higher education field (Pounder, 2001, p.281).
After an overview of some general theories of business leadership, the following sections of this chapter highlight several notable schools of thought with respect to theories of higher education management, leadership and organisational structure. Themes explored include collegiality, as well as loosely formed and corporate organisational models. Descriptions of these management structures are followed by some observations with respect to the leadership styles that emerge in conjunction with each paradigm. Literature examining the exertion of external pressures on institutions of higher education is also reviewed, along with the impact such pressure exerts on internal university management and leadership.

The relevance of this chapter to the research project is that this review of the literature exposes the key concepts which have been provided by earlier researchers in the field. This is useful in the analysis of the new data, for comparison and extrapolation with respect to current and future key issues in the field of university management and leadership. In addition, the search of the literature has provided two references which were specifically used to inform the primary research; one for the generation of many of the interview questions, a second to construct a theoretical lens through which to review and interpret the interview results.

2.2 Leadership definitions

Definitions of the term ‘leadership’ are broad, as a result of the wide-ranging opinions in the literature on styles and characteristics of successful leaders. Knowles (1990, p.176), recounts a series of commonly held views describing activities attributed to leaders, noting four typical leadership types which associate leadership with personal dominance, including personality, superior ability, pushing others, and guidance as key descriptors. Goleman, Boyatzis and Mc Kee (2002) propose that great leadership works through emotions, and that, no matter what leaders set out to do, their success depends on how they do it (p.3). Kouzes and Posner (2002, p.10) say that “leaders are in all places……leaders venture out, and exemplary leaders enable others to act”.

Yukl identifies the difficulty in developing a succinct definition for leadership, when he observes that “The term leadership …… carries extraneous connotations that create ambiguity of meaning (Janda 1960). Additional confusion is caused by the use of other imprecise terms such as power, authority, management, administration, control, and supervision to describe the same phenomena” (Yukl, 2002, p.2). He goes on to conclude that “Most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in a group or organization” (Yukl, 2002, p.2). This generally concurs with the opinions of the former authors, but places the personal leadership attributes in the context of the structure and activities of an organisation. This definition has been adopted for this thesis, where leaders of universities are being considered in the contexts of their organisations, and the wider higher education environment.
2.3 Leadership theories

2.3.1 General

“The best ….. leaders …. combine core values with elastic strategies. They get things done without being done in. They know what they stand for and what they want, and they communicate their vision with clarity and power. But they also know they must understand and respond to the complex array of forces that push and pull organisations in so many conflicting directions. They think creatively about how to make things happen. They develop strategies with enough give to respond to the twists, turns, and potholes that they are sure to encounter on the way to the future” (Bolman, 1997, p378).

The literature on leadership in organisations is extensive. Review of a selection of recent articles presents some examples of the range of opinion on leadership theory, revealing a search for understanding of a new approach to leadership, which empowers rather than commands followers, in times of organisational change, where employees are increasingly encouraged to take more responsibility for their own decisions. Leadership and its inherent links to business strategy and organisational efficiency are well documented; in the selection of the leadership literature which has been reviewed, three approaches to writing about leadership can be observed – those which focus on

- identification of leadership attributes;
- the relationships of leaders to their organisations; and
- the relationships between leaders and their followers.

2.3.2 Leadership attributes

A common approach taken by authors in writing on leadership is to focus on the identification of the particular skills, qualities or attributes of leaders which make them outstandingly effective in their roles (Sarros and Santora, 1994; Ali and Camp, 1996; Drouillard and Kleiner, 1996; Tait, 1996; Scarnati, 1999; Goleman, 1998 and 2000, Sarros and Sontora, 2001, Sarros and Cooper, 2005). Opinions in the literature on the qualities required for a leader to be successful are varied, and the roles of such qualities in bringing about effective organisational outcomes are extensively discussed.

The defining of leadership in the literature which imbues leaders with specific sets of characteristics, setting them apart from fellow workers, frequently identifies characteristics such as integrity, honesty, drive, vision, good communication skills and so on. Tait (1996) concludes that ‘Inescapably …. business leaders will continue to require the same clarity of vision, derived from a powerful intellect reducing a complex reality to the critical essentials; the same credible communication and interpersonal skills to articulate the vision compellingly and motivate people to action; the same character, sincerity, generosity and self-mastery to inspire trust, withstand the necessary loneliness of leadership and not fall victim to the “walk-on-water” syndrome; and the same high levels of motivation and physical energy to achieve the extraordinary. These qualities, combined with a self-critical, open, flexible and lifelong
learning approach that draws on a track record of broad functional experience, early successful line management experience, international experience (increasingly) and the lessons to be learned from managing in diversity and adversity in fast-changing conditions, will continue to be what it takes to reach the top in the new millennium.’ (p.30)

Drouillard and Kleiner (1996) address issues of ‘moral’ or ‘good’ leadership, versus ‘amoral’ leadership (p.30). Whilst acknowledging that leadership qualities will differ from person to person, they nonetheless propose a ‘recipe’ which lists attributes that, in their experience, invariably are found in expert leaders; including good communication skills, integrity, genuine interest in others, recognition of achievements of others, team orientation, vision, decisiveness, willingness to take responsibility and competence (pp.31-32). Sarros and Sontora (1994) review the challenges of company leadership in ‘tough’ economic times, describing a study of 104 CEOs from Australia’s top 500 companies. After identifying the ten most significant management challenges for Australian executives in the 1990s, the authors review the ‘top’ CEOs, and the reasons for their success. Success is attributed to personal characteristics such as vision, consistent performance, a bias for action and survival, ‘hard’ and ‘soft’ management skills, as well as the ability to achieve good economic outcomes.

Goleman’s theories of ‘emotional intelligence’ have gained a broad following, both amongst those interested in management theory and the wider population. Goleman (1998) attributes the effectiveness of successful leaders in large part to their emotional intelligence which, he proposes, is made up of five components - self-awareness, self-regulation, motivation, empathy and social skill (p.95). The theory is further developed as he defines five leadership styles, in terms of underlying emotional intelligence attributes, and their applicability in different situations. Working through the implications of the five leadership styles in an organisation, and their impacts, Goleman concludes that the really successful leader will have a repertoire of several leadership styles, and the ability to produce them at short notice, depending on the changing business environment (Goleman, 2000, pp.89-90). This is reinforced by Sarros and Sontora (2001), with their research into leadership qualities in the context of transformational and transactional leadership. One of their interviewees, Leon Daphne (Managing Director, Nissan Australia) said: “I think there are many styles of leadership used, moving from caring to autocratic I suppose. I think at different times you can use all those particular styles.” This view, the ability to switch from one leadership style to another to suit the situation to maximise results, was similarly reinforced by Ian Penman (Vice President and Managing Director, Compaq Australia): “…executives use all different types depending on the situation, the company they are in, the workforce that they are in charge of or responsible for. I think they use an autocratic style at times; they can use participatory styles at times. It is a case of not being particularly myopic about one particular management style but having the ability at times to perhaps translate the requirements of the organization across a couple of styles.” (Sarros and Sontora, 2001)
All of these approaches to the description of leadership describe the special attributes or skills of leaders that separate them from others, enabling them to influence their followers, as reflected in part in Yukl’s leadership definition.

2.3.3 Leaders and their organisations

Other authors on leadership have focused on the relationship of leaders to their organisations, exploring impacts of particular leadership styles on aspects of organisational structure, efficiency and responsiveness (Popper and Lipshitz, 2000; Graetz, 2000; Finnie and Early, 2002; Caldwell, 2003; Bartlett and Ghoshal, 1995).

There is considerable consistency in the content of these papers, with generally a consensus of opinion that the structures of many contemporary businesses are flatter, more fluid, and by necessity more responsive to change, as a result of their need to survive in a turbulent business environment (Graetz, 2000; Caldwell, 2003). An increasing interest is evident in the devolution of responsibility for decision making down through levels of an organisation, rather than retention of a fully centralised hierarchical approach, where all strategic decision making is retained at the senior executive level. The requirement therefore to coach and encourage personnel at all levels to develop leadership skills is emerging (Popper and Lipshitz, 2000; Bartlett and Ghoshal, 1995; Clarke and Meldrum, 1999). More flexible organisational structures suggest a need for a change in leadership style, with leaders becoming more closely engaged with their followers, as they work together in their organisations to meet the demands of the changing business environment. Sarros and Santora discuss a leader’s role with respect to their organisations, and the motivation of others, in the context of a transformational – transactional leadership model (2001). They reinforce the importance of leaders’ relationships to their organisations, noting that to raise the consciousness of the organisation’s vision, and to achieve commitment of personnel to the vision, is a significant aspect of the transformational leadership style of inspirational motivation. Inspirational motivation addresses the principle of organizational existence, rather than the personality of the leader. (2001) For example, Brian J. Neill, Group Manager, Human Resources, of the large utility company United Energy, claims that leadership is about “…understanding what motivates the people we are meant to be leading, and making sure we are doing what is necessary to impact the culture of that business or that environment in which we are operating …. in a practical way, so they can understand exactly what is their role in the business and what the business is trying to achieve and how they can make a contribution to it and achieve the success of the business.” (Sarros and Sontora, 2001)

Popper and Lipshitz (2000) explore issues of organisational learning, and the roles and styles of leaders in determining the values that facilitate this process (p.135). A number of case studies illustrate the influence of leadership on organisational learning, with the authors proposing that a leadership style providing psychological ‘safety’ for followers, allowing them to learn from their mistakes without fear of reprisal, results in the development of knowledge within an organisation (Popper and Lipschitz,
2000, p.141). The authors conclude that “…the essence of leadership ….. remains relevant to the organizational learning domain, namely to engage followers by establishing trust and affecting the people’s commitment by means like clear vision and role modelling” (Popper and Lipschitz, 2000, p.144).

Graetz (2000) highlights leadership of organisational change as the primary task of management today (p.550). With the development of organisations into more fluid, flexible structures, in response to turbulence in the current business climate, she argues that the role of company executives has radically changed, from the previously more authoritarian manager, to a more open, participative management approach. Graetz concludes that “The need for strong, personal leadership from the top … seems particularly critical as organisations discard their traditional, hierarchical organisational structures in favour of leaner, flatter boundaryless forms …….The …analysis suggests that charisma alone, or the power of an individual personality, is not enough to ensure lasting systemic change………effective change leaders must … create a nexus between the traditional … operational dimensions of management and the strategic, interpersonal dimension ” (Graetz, 2000).

Bartlett and Ghoshal (1995) also emphasise the necessity for a strong connection between leadership activity and organisational structure. Like Graetz (2000) who describes contemporary business structures as more fluid and responsive than traditional models, Bartlett and Ghoshal espouse organisations in which corporate leaders are now taking a new approach to strategic management, and delegating much of the decision making to front-line managers. They propose “…a broader redefinition of top management’s role that results from the need to replace the obsolete strategy-structure-systems doctrine with a leadership philosophy built on purpose, process and people……from defining strategy to building corporate purpose and from framing structure to developing organizational processes ” (Bartlett and Ghoshal, 1995, p.135).

These authors on leadership have focussed on the relationships of leaders to their organisations, and the means by which leaders effect organisational change and efficiency through the management of such relationships.

2.3.4 Leaders and their followers

A number of the selected writers on leadership have focussed on the relationships between leaders and their followers and the outcomes that these relationships have on organisational effectiveness (Mintzberg 1998; Russell and Stone, 2002; Manz, 2002; Bartlett and Ghoshal, 1995). A focus on the relationships of leaders with their followers is also described in theories of transformational leadership and transactional leadership, defined by Yukl (2002).

“With transformational leadership, the followers feel trust, loyalty, and respect toward the leader, and they are motivated to do more than they originally expected to do………In contrast, transactional leadership involves an exchange process that may result in follower compliance with leader requests but is not likely to generate enthusiasm and commitment to task objectives……Transformational
leadership increases follower motivation and performance more than transactional leadership, but effective leaders use a combination of both types of leadership” (Yukl, 2002, pp.253-254).

It would appear from the discussion above with respect to management in changing times, the need for more flexible and responsive organisational management approaches, and the attributes which are described for leaders in this situation, that such leaders will operate with an emphasis on a ‘transformational’ rather than ‘transactional’ style.

Mintzberg (1998) proposes the concept of ‘covert leadership’, in an article recording the style of Bramwell Tovey, artistic director and conductor of the Winnipeg Symphony Orchestra. Mintzberg describes the difficulty of providing leadership in such an organisation of consummate performers, and the challenges to a leader in being required to direct a group of ostensible equals (p.144). A theory of ‘servant leadership’, not dissimilar to that of ‘Covert Leadership’, appears to be a concept of leadership founded more in intelligence, empathy and engagement rather than ego, power or coercion (Russell and Stone, 2002). Again in a similar vein, Manz and Sims (2002) speak of ‘leading others to lead themselves’, presenting a concept of empowering others by teaching and coaching them to help themselves, thus in turn advantaging the organisations in which they work. The theory can be summed up in the following statement “Be a strong, even charismatic leader and followers will know where to go as long as you light their way. Teach them to lead themselves, and their path will be lighted always……In return, they will illuminate new paths of opportunity that you might never have seen” (Manz and Sims, 2002, p.1). Many of the attributes of such leaders appear in other literature; there are, however, a number of qualities which illustrate an approach, focused on relationships with others in the workplace, which sets this leadership style apart from others. Such qualities as empathy, healing, stewardship, commitment to the growth of people and building community, typify the discussion (Russell and Stone, 2002, p.145-146). Some parallels can be seen between this approach and that of transformational leaders, described by Yukl (2002) where followers are the focus of the leader’s energy, as they are encouraged to develop and empowered to develop to the limits of their capacities.

Knowledge management is emphasised by Manz and Sims (2002) as a key issue for twenty-first century organisations. This is reinforced by Martin and Ernst (2005), who note that “…. at present, organizational leadership is being considered more of a process that occurs throughout the organization rather than a position someone holds. Further, leadership is rooted in knowledge power over position power and inquiry over advocacy.” The theory of Manz and Sims proposes that leaders will challenge followers to become self-leaders and teams to become self-led, leading in the future, potentially, towards a total culture of self-leadership developing throughout the organisation (p.21). “…… people …. demand a different kind of culture than the old command-and-control format. Today, people are better educated and demand more from their jobs than a paycheck …. most people won’t stand for being closely managed and directed anymore, and they would probably be wasting their unique talents and capabilities if they did” (Manz and Sims, 2002, p.19).
Bartlett and Ghoshal (1995) also highlight the importance of the relationships of leaders to others in their organisations. Whilst it is agreed that leaders must possess certain personal attributes, and that today's organisation is changing, requiring them to respond accordingly, most of all they emphasise the need for leaders to empathise with their followers. They discuss the changing role of corporate leaders, from previously systems orientated managers controlling personnel 'from the top down', to 'new' leaders whose task is to 'unleash the human spirit, (making) initiative, creativity and entrepreneurship possible’ (p.132-133). They describe a significant change in leadership approach, where management focusses on the development and empowerment of its key personnel, rather than relying on forcing employees into a corporate mould by strict adherence to set company systems and policies (p.135), proposing that “…many corporate leaders have begun to embrace a new philosophy of strategic management….leaders are downplaying their strategic decision-making role and delegating much of that responsibility to frontline managers who are closest to the business” (Bartlett and Ghoshal, 1995, p.135).

The authors allude to a changing management style, which emphasises communication throughout organisations, thus empowering employees at all levels to develop and to input into the strategic direction of the business. Examples from a number of large corporate entities are presented, including one where the senior company leader “… sees his most important role as coach and developer of his management team. He estimates that he spends 50% - 60% of his time communicating directly with his people in a process he calls “human engineering.” …… My first task (he says) is to provide the frameworks to help ……. specialists develop as managers; the next challenge it to loosen the frameworks and let them become leaders” (Bartlett and Ghoshal, 1995, p.136). A number of examples are cited, illustrating the relegation of older traditions of hierarchical review and corrective action in management to a back seat, to allow for a more people-centred approach. In the new model, it is the role of top management to create an environment where managers and employees can monitor and correct themselves (Bartlett, 1995, p.140).

These writers depict contemporary leaders who are focused on their followers, assisting them in achieving to their best capabilities, thereby maximising organisational effectiveness. They are leaders with flexibility, who change with their organisations and who empathise with their personnel, and in doing so, they display attributes that set them apart from others in their organisations.

2.3.5 Leadership and willing cooperation

Mastrangelo, Eddy and Lorenzet (2004) discuss the impact that effective leadership has on organisational viability, in their article on the importance of personal and professional leadership. The authors propose that effective leadership has a significant impact on organisational viability, and that effective leaders use both professional and personal attributes to achieve this end (Mastrangelo, Eddy, Lorenzet, 2004, p. 435).
The authors construct a simple model that proposes that in order to achieve willing cooperation from their followers, leaders need to have the requisite professional skills, tempered by a range of personal leadership attributes, as shown in the following diagram:

![Diagram showing Professional Leadership and Personal Leadership leading to Willing Cooperation](image)

**Figure 1  Leadership attributes and willing cooperation**

The study found support for the proposal that professional leadership forms the basis for the leadership process, and for the achievement of willing cooperation from followers. Professional leadership skills are seen to provide the direction and vision for the organisation, but the personal attributes of leaders, such as trust, caring and morals, mediate professional leadership messages to gain willing cooperation from personnel (p.447). Although the study did not measure performance, it suggests that it is logical to assume the willing cooperation of employees will improve an organisation’s performance (Mastrangelo, Eddy, Lorenzet, 2004, p. 448).

2.3.6 Leadership – summary remarks

This selection of contributions to the vast array of literature on leadership in organisations illustrates a range of attempts by management researchers to identify aspects of leadership that result in organisational success. Leaders of organisations have a significant impact on business outcomes, and their personal qualities and chosen management strategies are therefore the subject of much conjecture. The selected articles, written within the past ten, and many of them in the past five years, reflect the changing business environment, where new technology and knowledge management issues have made significant organisational change the norm rather than the exception.

Whilst some of the papers reviewed were compiled with more rigorously documented methodologies (Graetz, 2000; Russell and Stone, 2002) others are written in a more populist style, to appeal to a wider audience (Goleman, 1998; Mintzberg, 1998; Scarnati, 1999). Some offer purely reviews of the literature (Russell and Stone, 2002) and others draw on primary research to support their findings (Sarros and Sontora 1994; Mastrangelo, Eddy and Lorenzet, 2004). Nonetheless, they all concur that effective leaders in the current business climate, where change is commonplace, need superior interpersonal skills, can display intelligence, sensitivity and interest in their followers, and an ability to develop leadership talents in others, through encouragement and coaching. These leaders would appear to be more selfless and less egocentric than those of more traditional disposition, and genuinely interested in the development of their followers for good organisational outcomes.
It appears there is a search for understanding about leadership in times where people need and wish to take responsibility at all levels, rather than wait for commands from company executives on all decision making. This is in contrast with more traditional hierarchical and authoritarian approaches, which have worked in the past, but are seen to be less effective in the current business environment, where new, educated workers are capable and desirous of working independently. The adoption of such new management approaches appears to result in leaders who spend more time listening to, and empathising with their followers, coaching and encouraging rather than commanding them. Leaders who relate well to their followers appear to combine the skills which are often noted as desirable in capable leaders, with an empathy with other workers, getting the best from them by understanding their needs and aspirations, in the contexts of their organisations.

2.4 Universities as organisations

2.4.1 General

It is apparent from the many references in the literature to the increasingly dominant corporate culture of management and leadership which is emerging in higher education that there is significant change underway in contemporary universities. Nonetheless, from the many references to the importance of academic freedom and collegiality which still appear in the current literature, it is clear that a significant portion of university personnel, many of academic background, are disturbed by this trend. Contrasting and opposing theories of management and leadership prevail in the higher education literature. The matter of ‘collegiality’ is a recurrent theme; obviously still held dear by many practising academics, who believe that this management approach underpins academic freedom, the fundamental characteristic which sets universities apart from other kinds of large institutions. Several theories of universities as ‘loosely formed’ organisations are reviewed, each quite different in its imagery, yet nonetheless similar in that they are fluid and relatively unregulated. Other models of universities which are noted depict more business-like, entrepreneurial institutions, which have adopted corporate models for their management, employing more tightly regulated and hierarchical organisational structures.

Universities, like other organisations, exist in a dynamic, changing environment, and share problems faced by other large organisations. The development of systematic approaches to the distribution of resources to achieve the organisation’s strategic goals, the stimulation of productivity and development of the people who make up the organisation, budget management, industrial relations issues, and innovation demands are all characteristics of a university which it has in common with other large institutions. Universities, however, are also characterised by their interacting dual ‘collegial’ and ‘bureaucratic’ elements, resulting in complex internal structures and pressures, thus creating organisations of limited manageability (Lockwood, and Davies, 1985, p. 27-29).

2.4.2 Collegiality

Many early studies of universities as organisations describe institutions where management processes are considered to be ‘collegial’ (Mignot-Gérard, 2003, p.137); an approach which has continued in the
higher education literature throughout the past fifty years. The collegial tradition, inherited from British universities, is grounded in “…the notion of (a) self-governing organisation with minimum management, a hierarchical, self-referencing profession which determined its own incentives and rewards, and self-managed work subject only to peer validation” (Marginson, 2000, p.102).

Collegiality in the management of these institutions involves professional equals managing their affairs through democratic processes, determining policy and achieving consensus through a process of discussion, prior to decisions being made. The power for decision making is shared amongst members of the organisation, who are assumed to have a mutual appreciation of their institution’s objectives (Brundrett, 1998, p.305). Power is invested in a ‘collectivity’ of equals, and an administrative act must be produced by the co-operation of a unanimous or at least majority vote, in order to be legitimate; different points of view are reconciled by compromise (Lockwood and Davies, 1985, p.26).

This management approach is claimed to be suitable to educational institutions, since they have significant numbers of highly trained professionals as employees, who have personal authority as a result of their intellect, qualifications and experience. Traditionally, academics have held their autonomy as a highly valued feature of their professional careers; in addition to this independence, they also see themselves as entitled to be involved in the decision making processes of the institutions for which they work (Brundrett, 1998, p.307-8).

Collegiality relies on a shared vision of all participants in the decision making process, in order to achieve consensus by agreement, not by conflict, with advocates of this approach espousing the belief that it provides an ethical framework to decision making which could never be embodied in a more bureaucratic management style. Collegiality is thus endowed with moral overtones, which are at the heart of the philosophy of those who advocate this approach to university management. This is described by Williams (1989) cited in Brundrett (1998, p.308): “The moral character of an exercise of authority is based on the presence of consent on the part of those subject to its jurisdiction…the consent of the obligated is necessary for authority to assure moral status…Where consent is not made a condition of authority, then we are not speaking of moral authority, but of the exercise of power, or purely formal or legal authority.”

Practical problems do arise from this management approach, however, in that decision making processes are greatly elongated, and the complex group of stakeholders who make up educational institutions can frequently represent a wide range of differing view points on many issues which arise, thus making it very difficult to reach agreement. Achieving consensus between disparate and often complex groups, of differing degrees of professional expertise and qualifications, can be a slow and often impossible task (Brundrett, 1998, p.310). Further to these problems, Blase (1988) and Hargreaves (1990) describe individuals and groups using political manipulation, with a cloak of moral legitimacy lent to them by the supposed use of democratic procedures, to in fact realise their goals at the expense of others (cited in Brundrett, 1998).
The collegial approach to leadership and management is supported in the literature by some authors of academic background (Patience, 1999-2000; Scott, 2002) who, threatened by the loss of their academic freedom as a result of alternative management approaches, assert that universities are ‘special’ places which are different from other large institutions and businesses; as evidenced in the following excerpt from an article by Scott (2002) expressing great personal concern about the leadership style at the University of Southern California: “…he (the university president) flagrantly violated the processes of consultation and decision making…and refused to accept the notion that education is a different kind of activity, a unique culture that occupies a special place in our democratic society” (Scott, 2002).

In times where universities are becoming increasingly accountable to external bodies, however, as well as to their wide range of internal stakeholders, this model of management has become difficult to sustain. Some educational theorists question the postulated collegial management style and its efficacy, suggesting that it is an idealised concept which, while embraced by scholars, is seen by analysts as an inadequate descriptor for the breadth of requirements of university governance (McClenaghan, 1998, p.9; Henkl, 2002, p.30). “A frequently expressed concern about the increase in managerialism in higher education is the loss of the system of collegiality that has been used to govern universities in the past; however, there does seem to be some disagreement as to the effectiveness of such a style of management, which by some is seen to be purely symbolic, and no longer a meaningful approach to management of today’s higher education environment” (McClenaghan, 1998, p.9).

It is interesting to note that there is some similarity in the approach found in the university collegial management style and the contemporary business leadership literature, where commercial organisations are aiming for flatter, less hierarchical organisations with devolved responsibility. A parallel can also be seen between the Mintzberg discussion of ‘covert’ orchestra leadership, where the leader directs a group of highly talented musicians, and university leadership, where the leader is responsible for directing a group of highly educated and competent academics.

2.4.3 Loosely formed organisational models

Various theories of the nature of universities as organisations depict institutions in which there is a notable absence of regulated, hierarchical structures. Instead, metaphors and images of free flowing organisations abound; “loosely coupled systems” (Weick 1976), “organised anarchy” (Cohen and March, 1974), places of “devolved authority” (Feilden and Lockwood, 1975) of “loose and multi-formed character” (Lockwood and Davies, 1985) and organisations whose structures are akin to open systems theory, operating in a “time independent state” and of “limited manageability” (Lockwood and Davies, 1985). Chaos theory is used as a metaphor by Cutchright (2001) and universities as porous, open organisations with a proliferation of competing frameworks are described by Barnett (in Cutchright, 2001).

Weick (1976) argues that conventional organisation theory presents organisations as efficient, tidy, rationalised and coordinated structures, which bear little resemblance to his view of educational
organisations (cited in Pounder, 2001, p.283). He proposes that traditional approaches to analysis of organisational effectiveness have little to offer educational organisations, and his model describing universities as “loosely coupled systems” attempts to represent the relative absence of internal regulation of educational institutions, compared with other large organisations and institutions. A general lack of coordination amongst departments, with few links between academic personnel and administrative management, and a notable lack of transparency in internal processes, contributes to the descriptor (Mignot-Gérard, 2003, p.138). By the term “loose coupling”, Weick alludes to the image of coupled groups as responsive to each other, but with each preserving its own identity, and some logical separateness. The term “systems” is chosen intentionally, to reinforce the connections between the groups, as opposed to a concept of freely floating, fully disconnected separate units. He notes the advantage of this model for higher education institutions, in its ability to conjure images of building blocks that can be either grafted onto, or severed from, an organisation, with relatively little impact on either the blocks or the structure as a whole (Weick, 1976, p.3).

In a similar style, Cohen and March (1974) propose a metaphor of “organised anarchy” following their studies of universities and university leadership. Their theory offers three broad aspects of organisational properties defining organised anarchy – inconsistent and ill defined goals, unclear and poorly understood organisational processes, and fluid participation in decision making (Cohen and March, 1974, cited in Mignot-Gérard, 2003p.139). Whilst these properties are not specific to educational institutions, they are conspicuous in universities, where goals are vague, significant participants “wander in and out”, and as organisations they are problematic to describe, understand and lead (Cohen and March, 1974, p.3). With obscure goals compared to more predictable businesses, and unclear processes of organisational learning and technology, it is proposed that many of the usual procedures of management collapse. Describing the decision making model in this situation as a “garbage can” model (p.90) in contrast to more classical decision making processes, it is observed that “… participants move from one choice opportunity to another in such a way that the nature of the choice, the time it takes, and the problems it solves all depend on a relatively complicated intermeshing of the mix of choices available at any one time, the mix of problems that have access to the organization, the mix of solutions looking for problems, and the outside demands on the decision makers” (Cohen and March, 1974, p.90).

Whilst it is noted that this process is not ideal for problem solving, it nonetheless enables some decision making to take place, and issues sometimes to be brought to conclusions, in spite of the variability of the environment, with the result that to some extent, the organisation can be managed (p.91).

Writing in 1975, Fielden and Lockwood propose a view of universities as organisations which contain elements of both the firm and the guild, stressing that universities have corporate responsibilities, and possess the power to manage the activities of their members, in order to carry out those obligations (p.20). In their book Planning and Management in Universities, the authors describe an uneasy balance
between a number of management concepts co-existing in universities, including theories of the university as an organisation, an institution or a community (p.19). Retaining some of the aspects of the collegial decision-making model, an ideal structure is described where management is participative, with the authority for many activities delegated as far as possible to constituent groups and individuals. Principles of participation and devolution are built into the system which, to be successful, requires a broad consensus amongst its members with respect to issues of constitution and values (Fielden and Lockwood, 1975, p.21). The authors note their commitment to the view that responsibility and authority should be devolved wherever possible to the faculty level, with committees as the main and essential decision-taking bodies – an approach which gives rise to flatter, as opposed to more centralised and hierarchical, management and authority structures (1975, p.43).

Lockwood, writing again about the management of universities some ten years later, describes them as organisations of “limited manageability”. He purports that a university differs from a business organisation, which is a centralised, integrated institution, able to be managed through its hierarchy to achieve the strategic goals of senior management. Conversely, he sees a university as an institution whose boundaries are difficult to define, with a loose and multi-formed character (1985, p.40-41). Lockwood contends that university managers should be subservient to the organisational character imposed on them as a result of the academic activities of their institutions, and should contain their managerial improvements within those parameters (p.42). Lockwood describes some basic features of historic socio-cultural attitudes to universities, which include the concept of academic freedom. He contends that such attitudes have helped to create in-built resistance by university personnel to management control, which in turn limits the influence of a corporate style of management on the basic activities of the institution (Lockwood and Davies, 1985, p.26). Most of the management in this model is proposed as the responsibility of committees of professionals, thus demonstrating the emphasis of collegiality in universities as organisations. “The interactions of the ‘bureaucratic’ and the ‘collegial’ elements in the nature of the university as an organization is a main cause of the complexity of the internal structures and pressures, and helps to explain the existence of limited manageability” (Lockwood and Davies, 1985, p.27).

Lockwood and Davies highlight analyses based on open systems theory, which attempt to identify the characteristics that differentiate universities from other complex bureaucratic institutions. Open systems theory is proposed as underlying many contributions to the analysis of universities as organisations, describing them as in a ‘time independent state’, where the system remains constant, but with a continuous flow in and out of the elements which comprise the system – a view with some similarity to the “fluid participation in decision making” described by Cohen and March (1974). The system is described as achieving “a ‘quasi-stationary equilibrium in which the enterprise as a whole remains consistent with a continuous throughput, despite a considerable range of external changes” (Lockwood and Davies, 1985, p.28).
Five features are used to highlight the complexity of universities as organisations; complexity of purpose, limited measurability, a mixture of autonomy and dependency in its relationship to society, the diffusion of authority, and internal fragmentation. A university is described as operating through overlapping spheres of power and influence, with no-one having absolute authority; the organisational characteristics are seen as so different from other institutions that traditional management theories cannot be applied to them (Lockwood and Davies, 1985, p.31-33). Base units of professional competence are described as fragmented, but not discrete, varying in size and importance, sharing few corporate tasks compared with other organisations, but connected by links of cross-membership (p.35).

Chaos theory is used as a basis for a metaphorical exploration of university management and leadership in a series of essays edited by Cutright (2001). A chaotic organisation or system is described as one in which apparently random activity in fact is composed of complex patterns, which are created by ‘attractors’. These patterns are changed or disrupted through the impact of turbulence of greater or lesser levels, the system being kept within boundaries by the presence of the ‘attractors’. The infinite variations in the interactions of attractors and turbulence make the identification of patterns in the present very difficult and predictability over the long term impossible; nonetheless, patterns do emerge, as a result of the system conditions (Cutright, 2001, p.6). This concept is applied to a range of issues related to higher education management and leadership, with some of the authors supporting the metaphor, but others suggesting its application to be limited. Barnett, in Cutright (2001) describes the current higher education environment as “an age of supercomplexity” (p.25). The university is described as “porous”, and characterised by a wide range of competing frameworks which proliferate in university management; the role of leadership being that of identifying and establishing new frameworks, and of managing the resulting tensions and discontent. Nonetheless, Barnett observes that this is a limited view of the role of university management, and that there is a critical enlightenment function which a university must also provide, which is not encompassed in the chaotic organisation metaphor (Cutright, 2001, p.31).

As can be seen from the selection of theories which have been reviewed, there is a significant literature depicting universities as organisations which are characterised by loosely formed networks, and flexible structures. A range of different metaphors is used in the attempt to analyse and predict the activity within a university structure – such as “loosely coupled systems”, “organised anarchy” and “chaotic systems”, but each of these approaches appears to concur with the theory that universities are institutions of “limited manageability” (Lockwood and Davies, 1985).

Again it is interesting to compare these loosely formed models with the new direction of leadership in corporate management described earlier. The concept of more devolved authority in corporate organisations is a fundamental aspect of these loosely regulated university models, although the latter take this concept to a more extreme level than that which is contemplated in recent discussions of business leadership.
2.4.4 Corporate models

In contrast with traditional collegial views of university and academic management, and theories of organisations of limited manageability, some contemporary theorists depict institutions of higher education as inexorably moving towards more corporate organisational models, describing organisations which are competing in the marketplace, and whose management can be closely aligned to that of businesses involved in private enterprise.

Marginson (2000) describes significant changes which have taken place in Australian universities; changes in which the universities, he purports, have been complicit, whilst they have to some extent been shaped by external forces, such as the withdrawal of state funding, globalisation and the development of the higher education ‘marketplace’ (p.98). Marginson’s study found a significant shift towards an organisational culture typical of that found in business models, accompanied by a new kind of strategic leadership, which is somewhat detached from the academic units. “Traditional collegial bodies such as Academic Boards and Faculty assemblies have been largely eclipsed. Funding formulae and other technical processes have partly superseded legislative-political decision-making, and in many institutions the organisational role of discipline based cultures has been weakened” (Marginson, 2000, p.98).

Marginson lists some ten significant changes which underlie his observations about the progression to more corporate models of university management in the late twentieth century, noting that these changes have accelerated the decline of a more traditional, collegial approach to university management (p.102.)

Such observations of an increasingly corporate approach to university management are reinforced repeatedly in the literature (Boyett, 1998; Clark, 2000; Cowen, 1998; Lipp, 2003; McClenaghan, 1998; Patience, 1999-2000; Rodan, 2000; Scott, 2002; Sotirakou, 2004; Waugh, 2003). The shift of educational administration into an enterprise paradigm embraces the notion that “…an educational institution is as similar an operational enterprise as any other non profit or capitalist enterprise, and is subject to the same forces that influence the traditional enterprise environment in the traditional market place” (Clark, 2000, p.2).

Higher education institutions are observed to have adapted successfully to changing circumstances and external pressures, by assuming many of the practices of a management and market driven philosophy in their governance; in particular, strong central management (Sotirakou, 2004, p.348). Universities have recently been in a cycle of the adoption of various managerial tools borrowed from the private sector, such as strategic plans, performance indicators, quality assurance programs, benchmarking projects, and an executive mode of management. This is seen by some not to be a passing stage, but indeed to signal the emergence of a different kind of market driven management strategy, a decline in the culture of collegiality, and an increase in corporate and entrepreneurial culture (Sotirakou, 2004, p.349).
Marginson and Considine, in their book dealing with recent changes in university governance, comment that in the ‘new’ university, academic identities are “subordinated to the mission, marketing and strategic development of the institution and its leaders” (2003, p.5); a point of view in direct contrast to the opinion of appropriate management for a university expressed by Lockwood in 1985. Marginson and Considine do not see the profile of the new university as yet resolved; nor do they see the changes threatening to end the academy; but they do predict that inevitably universities will be more closely tied to business and to the needs of their customers (2003, p.5) reinforcing the view of Sotirakou noted above.

Not all the literature is positive about the effects of the corporate approach to management in universities. Some authors have taken the discussion further, indicating that this ‘corporatisation’ signals the ‘death’ of the university, and that the recent policy and management reforms within universities are undermining their ‘proper’ role in society. Concern is expressed that universities are being controlled by ‘detached’ administrative personnel, for whom the administrative process takes precedence, and who are focused on productivity increases, resulting in academics being ‘elbowed out’, at the expense of academic standards (Patience, 1999-2000). Waugh (2003) reinforces some of these observations, noting that university leaders are responding to the pressure for greater efficiency and productivity, relying on professional management staff to achieve these ends; but that this is having a profound effect on the traditional faculty role in university governance (p.85) thus raising the issue of whether or not management goals and academic goals are the same, or at least are not conflicting (p.89).

Marginson and Considine, contemporary writers on university culture and management, describe organisations of higher education as institutions not fully committed to corporate management and its associated entrepreneurial activities which form part of such an approach; rather, they use the term ‘enterprise’ organisation, to capture both academic and economic dimensions of a university’s activities, and to underline the more fundamental aim of most universities to advance their prestige and competitiveness (2003, p.5).

2.5 University leadership

2.5.1 General

Leadership is central to theories of university organisational models, raising the recurrent theme of the extent to which leadership styles in universities are influenced by the organisational context in which they operate (Mignot-Gérard, 2003, p.139). The literature demonstrates that, whatever the model, leadership within universities appears to be divided amongst a number of different actors, whose agendas do not necessarily coincide, and indeed often conflict, frequently making it difficult to achieve co-operation, or a solid foundation on which to base the management of the institution (Mignot-Gérard, 2003, p.158).
2.5.2 Symbolic and collegial university leadership

Traditional theories of university management emphasise academic leadership as the key determinant of the direction for a higher education institution, the aim of academic leadership being to provide an environment where the prime purposes of the university can be accomplished by the academic staff (Bargh et al, 2000, p. 64).

There is a significant literature on university management which highlights the symbolic role of university leaders, and the important sense in which the vice-chancellor, in particular, must be seen to embody the mission of the university (Mignot-Gérard, 2003, p.139). The intensity of this symbolism is widespread, whilst it does vary from institution to institution. Views amongst academic personnel, in particular, reinforce the need for vice-chancellors to have strong academic backgrounds, rather than commercial or business experience - the role of distinguished scholar being perceived as fundamental to that of the university’s academic leadership. “....it is crucially important that other academics have respect for the vice-chancellor, who therefore needs to be of good academic standing.... Academic values are seen as the bedrock, the foundation stone of the system and the vice-chancellor must both guard and reflect them in order to be successful” (Bargh et al, 2000, p. 69).

Those who espouse the collegial approach to university management reinforce the importance of academic leadership, and academic freedom, as underpinning the foundations of university management. The role of the leader in collegial organisations is of one who encourages, enhances and defines beliefs shared amongst other in the organisation (Campbell and Southwort, 1993, p.66, cited in Brundrett, 1998, p. 308). Leaders of collegially managed institutions can identify many competing and conflicting groups and individuals within their organisation who can quite legitimately claim their right to influence a decision (Brundrett, 1998, p.309). Much of the literature exploring collegial management emphasises the centrality of the role of the leader of the institution, and the importance of this person in engendering collegial attitudes and in accepting decisions reached by the system once they are made (Bush, 1995, cited in Brundrett, 1998, p.310). The reality of this system is that the leader of the organisation will continue to be responsible for instituting the outcomes of such decisions, regardless of the management style undertaken or the level of participation used in the decision-making process. Practical difficulties for leadership in undertaking this democratic approach to decision making can arise, as noted by Bush (1993): “Collegial models may be difficult to sustain in view of the requirement that the heads and principals remain accountable to the governing bodies which appoint them. While participation represents the internal aspects of collegiality, accountability may be thought of as the external dimension. Leaders may be sandwiched between these very different pressures. Ultimately they have to explain decisions to outside bodies and this creates difficulties when policies do not enjoy personal support” (cited in Brundrett, 1998, p.311).
2.5.3 Leadership in loosely formed educational organisations

The devolved leadership model put forward by Lockwood and Davies (1985) places “…a high premium upon the charismatic and political attributes of the leadership since in such a system many of the routine levers for leadership are not available” (p.105).

The authors describe a range of behavioural metaphors to be found in universities, ‘consensus’, ‘anarchic’, ‘collective bargaining’, ‘administrative’, ‘democratic’, and ‘traditional’, with such categories of behaviour being displayed by different groups. As decisions are made using differing procedures within these groups, it is proposed that, in order to gain authority at the institutional level, a leader will need to be able to operate and exert influence in each different arena. Furthermore, it is proposed that the leadership will need to have developed the skills to recognise which metaphor is operating at any given time. The implication for this situation is that the authority and power are not necessarily held by the designated senior office bearers, but rather, will accrue to those who hold personal status or prestige, which in universities usually correlates to those with academic standing, or with skills in opportunism, or stamina (Lockwood and Davies, 1985, p.140). Lockwood and Davies describe a situation where, at its most ‘anarchic’, opinion may be highly fragmented, with a lack of predictability, and the emergence of political interest groups (pp.141-142). This model highlights consensus-building amongst key power holders within the institution, as a method of institutional leadership, a democratic approach which is in direct contrast to the more centralised authority found in the corporate models of university management.

Other loosely formed models, such as the organised anarchy model, are purported in the literature to lead to limited and weak leadership with little scope for action (Cohen and March, 1974; Musslein 1989; cited in Mignot-Gérard, 2003, p.139). The characteristics of the loosely structured models of university management seriously restrict the ability of leaders to take strong action. Cohen and March unambiguously conclude that with leadership in ‘organised anarchy models’ of universities, management is bound to be weak. In the university anarchy model they describe, different individuals in the organisations are seen as making autonomous decisions; teachers able to decide how and what to teach, students able to choose if and when to learn and so on. It is proposed that control and coordination are not practised and resources are allocated without a singular, strategic goal for the institution. Decisions are produced by the system, but without overall intent, and without strong, centralised control (p. 33).

2.5.4 Leadership in corporate-style organisations

Literature dealing with the more recently emerging ‘corporate’ models of university management depicts a new style of leadership vastly different from the democratic leadership approaches that characterise the more traditional, collegial models of university management. The observed shift to this enterprise paradigm of university management highlights a parallel move towards an educational leadership increasingly concerned with issues of strategic planning, effective resource allocation, more
entrepreneurial attitudes, the need to respond to market demand, greater accountability, and other such pressures which similarly influence the typical enterprise organisation in the market place (Henkl, 2002, p.31; Clark, 2000, p.2).

With the development of this increasingly business-focused paradigm in the management of higher education institutions, leadership groups emerge characterised by market responsive, specialised management teams, with functional experts concerned with business based performance indicators and outcome based productivity determining the organisational climate and operational management structures (Clark, 2000, p.2). This emerging business paradigm and the impact of an increasingly managerial approach on the leadership of higher education institutions results in changing management responsibilities and practices of university leaders, as an increase in public scrutiny and higher demands for accountability mean that they are no longer “free to go about their business invisible to the rest of the world”, but are now executives of “…businesses, (which are serving) customers, …(are) entrepreneurial, and …now more accountable” (McClenaghan, 1998, p.3). In this model, the vice-chancellor is frequently depicted as the CEO of the organisation (Bargh et al, 2000; McClenaghan, 1998).

2.5.5 The university CEO

The CEO of a business is its leader, and is often a key strategist in charting its course; the demands on the contemporary vice-chancellor, leader of a university where a corporate management approach has developed, are frequently compared in the literature to those of the CEO of a commercial enterprise, as the strategic approach to university management changes, with an increasing need to position universities in the higher education market, and the wider economy (McClenaghan, 1998; Henkl, 2002).

The literature exploring university leadership depicts dramatic changes in the roles of senior higher education personnel generally in the past fifteen years, characteristically including the emergence of a new super hierarchy of senior university executives, comparable to senior government employees, whose remuneration is linked to measurable performance outcomes. The role of vice-chancellor, and the functions undertaken, appears to have changed significantly from that of universities of thirty years ago; the expertise required now reaching far beyond academic leadership and academic administration experience (Henkl, 2002, p.32).

This role transformation is confirmed by the following excerpts from the selection criteria advertised during the recent process of appointments of vice-chancellors to several Australian universities (Cordinor King, 2002-2004). The potential candidates were required to be outstanding leaders, displaying the following attributes:

- “High academic standing and a record of scholarship…"
• The commercial acumen to manage a complex educational training and research institution which operates across eight locations and has nearly 3,500 staff and assets of $1 billion…

“The ability to combine strong academic leadership with the experience and commercial acumen to manage a complex, multi-campus higher education organisation with widespread commercial operations.”

• “Considerable business and commercial acumen, including a sense of financial strategy, the ability to control and direct substantial financial resources and an interest in the management of the university as a business enterprise…

• A distinguished personal record of scholarship, together with a history of promoting research performance…”

• “Intellectual distinction and professional standing to lead opinion on higher education and public policy issues…”

• The commercial acumen and ability to inspire and lead a large and complex research and teaching institution”

Exploration of the role of the contemporary vice-chancellor suggests that it is almost impossible to maintain the traditional academic profile, due to the massive demands on time in the management of a university; the task of maintaining roles as a leading academic and a CEO is described as too big for one individual. In the late 1990s, with considerable turnover in the positions of vice-chancellor in Australian universities, researchers postulate that the significant changes in the demands of these jobs are making the roles almost ‘too big to handle’ (McClenaghan, 1998, pp.5-8). “…the roles of vice-chancellors are changing and the new skills required to perform in the role are entrepreneurial based. In an environment of continuing government funding reductions these skills are going to become ever more critical. The new environment characterised by competition, globalisation, market niches, and external fund-raising, are all highly business world focussed. The requirement to deal with savvy business leaders both locally and perhaps internationally will require different types of expertise than those learned in the traditional career path to vice-chancellor” (McClenaghan, 1998, p.9).

Similarly, in American universities, the role of the college and university presidency is described in the literature as changing, in parallel with the more corporate management models being adopted, requiring new qualities of leadership in the current higher education environment. Modern day college presidents are called upon to be “…academic leaders, financial mangers, and fund raisers, as well as public intellectuals, civic leaders, and economic development cheerleaders” (Bornstein, 2002).
2.5.6 The university leadership team

As higher education institutions face leadership challenges of cultural diversity, quality control, financial and academic management, they can be met and dealt with only through the combined efforts of the entire leadership team, including vice-chancellor or chief executive, deans, chairpersons and leading university officers (Seagren, 1993). Executive senior management teams are increasingly providing support to contemporary vice-chancellors in the management of the day to day issues. Such teams, which include leading academics, pro-vice-chancellors, and also non-academic management personnel, undertake responsibilities in policy making and implementation, and strategy formulation, planning and management, in close association with the university vice-chancellor (Henkl, 2002, p.32).

Deans, who have typically progressed through university ranks in previously academic roles focussing on teaching and research, are now undertaking senior management roles with clear lines of accountability to the vice-chancellor (Henkl, 2002, p.33). Today’s deans are increasingly challenged by the significant scope of administrative management tasks which confront them as they rise to the higher levels of university management (Montez, 2000). In addition to steering the academic course of their faculty, these personnel, in the contemporary university, are being called upon to balance the faculty budget, nurture the careers of their faculty personnel, and promote their courses in the international marketplace, to ensure that the university’s income demands are met. The roles of departmental chairpersons, as academic leaders, have also expanded, and their responsibilities have increased; such personnel are now required to be leaders who must “consider not only the internal departmental factors but be equally concerned about the institution’s orientation as well as external factors that impinge upon the entire organization” (Seagren, 2000, p.634).

These changes are in significant contrast to the traditional university management models, where senior personnel had largely academic leadership roles, rather than the planning and management responsibilities of the university executive leadership teams of today.

2.6 External pressures on university management

There is a considerable literature which addresses issues of the impact of external pressures on university governance, and how pressures such as national higher education ‘reforms’ are shaping internal patterns of university management and leadership (Mignot-Gérard, 2003, p.137). Other external pressures arise from competing priorities from the community, and industry, from demands to aid the development of a more just and equal society by providing for a more diverse student body, to do this all within a context of reduced funding from government (Kezar and Eckel, 2004, p.371). The drive by governments for efficiency, especially over the allocation and use of funds, and the need for universities to respond to market demands, has led to a new business paradigm in university management and leadership (Clark, 2000, p.2). Such intense environmental pressures place greatly increased strain and responsibility on higher education leaders, as they attempt to make wise choices, in the best interests of their institutions (Kezar and Eckel, 2004, p.371).
As university leadership at all levels is increasingly required to manage internal and external stakeholders, internationalism, complex technologies, demands for accountability and stringent fiscal constraints, as well as satisfying the needs of a broadening customer base, a new outward looking approach is necessary. “The forces acting on educational leaders are moving from the (traditional) paradigm to a common belief in what will satisfy the customer……….This Holy Grail and its incumbent periphery of associated paradigm shifts is not necessarily desirable, nor easily attainable, but there is a need to recognise some of the basic navigational tools that might assist in the quest for determining its practical influence on Educational leadership” (Clark, 2000, p.9).

Boyett (1996) in a study at the University of Nottingham, discusses a new approach to leadership strategy in universities, founded on intelligence gathering and broad networking outside the boundaries of the university, for the purpose of equipping the institution with information to help its strategic positioning, and to maximise its potential in the marketplace. This demonstrates a distinctly business like approach as opposed to more traditional academic leadership roles. The institution’s senior management team handles the day to day management of the university, with the vice-chancellor spending much of his time networking in the wider, national community, in order to place his organisation firmly in the public view, strategically positioning it with the national political decision makers (Boyett, 1996, p.4).

It can be seen from these examples that, increasingly, universities are required to become more outward in their focus, as they respond to the external pressures which influence their management and leadership patterns.

2.7 Leadership tensions within universities
The literature can be seen to highlight a significant conflict which arises as universities struggle with balancing corporate style management imperatives and academic leadership; the clash of the ‘corporate’ approach centrally maintaining control over expanding institutions with burgeoning annual budgets contrasting with the traditional view of a ‘collegial’ approach to university management. The more traditional, consultative processes of academia, propounding shared governance, decision making and academic freedom, contrasts with a centralised, hierarchical corporate approach to management. Meek and Wood (1996) record difficulties experienced by universities as a greater emphasis on professional management requires them to move away from earlier, collegial models of management: “….executive management priorities and practices take precedent over collegial decision-making……….the values of staff and management goals are in conflict;” (Meek and Wood, 1996, p.108).

This tension is succinctly described by Raelin (1995) who observes that “Maintaining control over the organization or seeing that employees carry out its mission is practically a managerial imperative impervious to the organization in question and the type of employees who work there. Administrators wish to establish reasonable operating procedures….. without being challenged every step of the way.
by a claim of encroachment of academic freedom. Meanwhile, faculty wish to preserve their cherished autonomy and thus may seek to waylay the next policy or guideline which under good intentions could be used to control them” (Raelin, 1995, p.3).

With accountability increasingly demanded by the community and governments, and universities focused outwards towards their paying customers who make marketplace choices about their education providers, traditional theories of strategic leadership in universities are challenged. Tension between the collegial, ‘democratic’ approach to directing a higher education organisation and the corporate approach, where the CEO’s word is law, add to the turmoil in this complex workplace. This situation is further exacerbated by an internal community disinclined to change. Changes in the Australian university system are thought by some to have undermined the tradition of collegial decision making, and to have had a negative effect on higher education governance by interfering with the ideal balance between hierarchical and collegial management traditions, skewing it towards the hierarchical (Brundrett, 1998, p.307). Stockley (1993) argues that the redefinition of Australian universities through government pressure, in an attempt to make them more ‘productive’, opposes the tradition of collegiality, and contradicts the process by which universities operate (cited in Brundrett, 1998, p.307).

Whilst the ‘CEO’ role seems to have been adopted in some situations as a substitute for the previously academic head of a university, the literature indicates that in many instances, this is insufficient (McClenaghan, 1998). Although it appears to be almost impossible for one person to provide the qualities required both of a CEO and an academic leader of high integrity, it nonetheless would appear to be undesirable to have either a purely academic or purely corporate style leader at the head of a university, for fear that one stream or the other is thus disenfranchised. The issue of leadership is a critical part of management in the higher education context, as universities are currently being required to re-invent themselves as ‘players’ in the marketplace; previously isolated centres of academic excellence, they are now required to compete in the business world. Theories of the ideal profile of the higher education leader, and the personal qualities required to undertake such a role, appear now to be changing, and to be vastly different from those of the past.

Peter Coaldrake, one vice-chancellor of Queensland University of Technology, is quoted in Clark (2002) observing that “New players in higher education are distinguished by disregard for the conventions of academic work and a capacity to respond to market needs.....” (Campus Review, September 8-14 1999:4) This summarises to some extent the new business paradigm pervading higher education leadership – a disregard for conventions, and the need to respond to the market. Are these the essentials of strategic management in a new era of education leadership?” (Clark, 2000, p.2.). Henkl, however, observes that, whilst the role of vice-chancellor is increasingly seen in the contemporary university as that of CEO, the style of leadership required still relies more on influence and persuasion rather than managerial authority (Henkl, 2002, p.35).
The following concluding remarks, made by McClenaghan in his paper on the role of vice-chancellor as CEO, succinctly highlight the problem facing contemporary university leaders – “Consider this scenario. Two leaders, one a vice-chancellor of a medium sized Australian or New Zealand university and the other a head of a multi-million dollar private company are discussing the issue of funding for the university. One has 20 years experience dealing with semi-autonomous, collegial and committee inculcated people. His or her opposite has approximately 20 years of corporate experience characterised by a turbulent, life and death (organisationally speaking), rapid response decision making, cut-throat environment where profit and bottom line accounting principles rule. Do they negotiate as equals?” (McClenaghan, 1998, p.9).

2.8 Generic leadership theory and university leadership

Issues of university leadership, organisational structure and management models have been reviewed and compared to the generic business leadership literature, in order to illustrate the peculiarities of universities as organisations, their management, and its impact on higher education leadership. The extensive generic leadership literature, largely written in the context of business, can be seen through this selective review to illustrate issues of leadership attributes, relationships between leaders and followers, and the impact of leadership on organisational effectiveness. Within the literature describing university management, reference also has been found to attributes of leaders of different types, whose competencies vary according to the type of organisation and the prevailing management approach.

The higher education literature demonstrates that this sector is undergoing significant change, with consequent changes to management approaches, which in turn impact university leadership. Universities have traditionally adopted a highly devolved management model; but are now in many ways moving towards more centralised structures, with CEO style leaders supported by senior executive teams, who are responsible for much of their organisations’ strategic planning. In the selected literature reviewed on business leadership, many commercial organisations by contrast appear to be becoming flatter, with less centralised decision making, and more responsibility devolved to the people at the ‘coal face’ of the work place. Whilst university administrations are becoming more centralised, they are nonetheless still grappling with dual management systems, as a result of the collegial management heritage of their academic divisions, and the more corporate management style now necessary to contemporary government and community expectations.

Some of the recent literature describes the need for contemporary senior university executives to possess high levels of management skill, in addition to credible academic records, in order to be effective leaders. This can be seen to be aligned with the generic leadership literature; for example the reference used in this study, by Mastrangelo, Eddy and Lorenzet, 2004, purports that successful leaders need a combination of personal and professional attributes, in order to gain the willing cooperation of their followers. Whilst this can be seen logically to apply to university as well as business leadership, the latter is complicated by the requirement for leaders to have professional skills in both management and academia, in order to fulfill their roles effectively.
There is a broad literature on the subject of leadership, and a considerable literature on the subject of universities as organisations; however, there is not a wide selection of personal accounts from university leaders themselves. The extensive reporting and analysis of the personal accounts from senior university executives and other experts in this field, is therefore of fundamental significance in this research.

2.9 A gap in the literature

The extensive literature on leadership and on the university sector generally provides a comprehensive background for this research study; however, whilst there is a variety of commentary available on universities as organisations, and their changing management models, as well as some recent documents on the changing nature of leadership in contemporary universities, there is not an extensive selection of personal accounts from contemporary university leaders on the characteristics of their roles.

The available commentary is limited with respect to the challenges university leaders confront, their means of dealing with them, and the skills they are called upon to use. Of primary significance to this research, therefore, is the extensive reporting and analysis of first hand accounts from university leaders, providing insights into the issues with which they are currently dealing, and the changing management experiences that characterise their roles. This study sets out to explore the true nature of current university leadership roles, and to provide new information with respect to the requirement for a broad range of both business and academic management skills in such positions.

The need for detailed first hand accounts of their experiences from current university leaders to add to the knowledge about leadership in the higher education sector is a gap in the literature which this study will begin to close.

2.10 Impact of the literature on this project

2.10.1 Themes from the literature providing a research framework

The literature has a significant impact on this research. As is typical of research in the Realist paradigm, themes identified in the literature are used to assist in providing a framework for the primary research; in this case, interviews with experts in the field. Theory derived from the literature search has been used in this instance to assist initially in guiding the research by shaping the interviews through the questions asked, and subsequently as a conceptual ‘lens’ through which to view, analyse and understand the research results.

2.10.2 Use of the literature in designing primary research

As noted in section 3.4.5, a reference exploring professional and personal leadership attributes, in relation to willing cooperation of followers (Mastrangelo, Eddy and Lorenzet, 2004) has been used to assist in guiding many of the interview themes for this research. The model was used to develop a number of the interview questions, in order to elicit the interviewees’ opinions on the nature of
university leadership, and its relationship with organisational effectiveness. The themes explored through the interview questions are summarised in the following table:

<table>
<thead>
<tr>
<th>INTERVIEW THEMES</th>
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<tbody>
<tr>
<td>Theme 1: - Changing Higher Education Environment</td>
</tr>
<tr>
<td>Theme 2: - University Leadership Challenges</td>
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<tr>
<td>Theme 3: - Professional Leadership Attributes</td>
</tr>
<tr>
<td>Theme 4: - Personal Leadership Attributes</td>
</tr>
<tr>
<td>Theme 5: - Willing Co-operation</td>
</tr>
<tr>
<td>Theme 6: - General</td>
</tr>
</tbody>
</table>

The specific questions asked in the interviews, and the rationale for each theme, were summarised in Table 4 in section 2.7.1.

2.10.3 Use of the literature in analysing research results

A further direct impact of the literature on this project is its use in analysis of the results of the primary research. Dilemma reconciliation theory as applied to leadership (Trompenaars, Hampden-Turner, 2002) has been used as an analytical tool with which to interpret the results of the interviews. The significant changes being experienced in the current higher education environment can be seen to give rise to a number of dilemmas for university leaders. The theory is applied to identify dilemmas in the interview results, and to explore the possibility of progressing key dilemmas towards reconciliation.

Trompenaars and Hampden-Turner (2002) propose an approach to dilemma resolution for issues arising in business leadership. The authors discuss dilemmas confronting contemporary business leaders, and the methods used to balance objectives which would appear unable to be reconciled. They describe a method of analysis, illustrating their theory with diagrams of circular, axial and then helical forms, to assist in understanding the reconciliation of polarised issues, by the finding of common ground (pp.5-9) and propose that “…effective leaders deal with the dilemmas of seemingly opposed objectives that they continually seek to reconcile” (p.ix).

The perspective of this text has been used for analysis of the data. After consistent themes have been highlighted in Chapter 4, significant dilemmas are identified in Chapter 5. The dilemma reconciliation concept is applied in the Conclusion, Chapter 6, to explore possible ways to progress reconciliation of one of the key issues facing university leaders with respect to contemporary management of their organisations. This reference has therefore been used as a conceptual lens through which to view and analyse the results of the primary research.
2.11 Literature review summary

Leaders in higher education institutions appear to be doubly challenged in their roles at the head of these complex institutions. On one hand, they are professionally and personally challenged as managers and leaders of their institutions, as they are charged with making the best decisions for their organisations, in a whole range of fields, including dealing with both academic and business issues. On the other hand, they are also professionally and personally challenged as leaders of individuals, as they work to gain the willing cooperation of different groups of followers. These followers are themselves being tested by their work in the complex and changing higher education environment, to the extent that in many ways they could be described as competing for the resources of their institutions, thus creating significant challenges for leaders in gaining their willing cooperation, and in leading them in a direction which will be desirable for their institution as a whole.

These challenges form the key to this research, which is an exploration of the current higher education environment, the changes which are currently underway in universities, the challenges that this presents to university leaders, and the skills they need to deal with the issues confronting them. The results are analysed through the conceptual lens of dilemma reconciliation theory, as university leaders appear to be presented with significant dilemmas in the complex higher education environment, which in many instances appear to be dividing universities as they develop as businesses, as well as centres of academia.

The higher education context was reviewed, with significant literature found on universities as organisations, and ways in which they are managed. Much of the literature demonstrates that universities are difficult to manage, due to their loose organisational structures. More recent literature has focused on the corporate approach to management that has developed within universities, as they are increasingly required to operate in a competitive market place. Some information was found with respect to the nature of leadership within universities, and there was a significant literature on the pressures and tensions surrounding university management and leadership.

There was not an extensive literature to be found providing first hand reports on the experiences of current university leaders, how their roles have changed and what pressures they are experiencing as their organisations are required to behave more like businesses. Personal views on the changes in skills that they are required to exhibit, as professional managers, the impact of this in relation to the academic demands of the university, and how they cope with these challenges, have not been extensively reported to date. This may be reflective of the fact that the change in funding of universities, with decreasing input from government, and an increased emphasis on private sources of income such as local and international fee paying students, is a relatively recent phenomenon.

Issues such as the changing nature of universities into more corporate entities have been explored, for example by Marginson and Considine (2003); but the impact that this has had on leaders at different levels of universities and their personal experiences, has been less extensively reported. As circumstances are rapidly changing in universities, and their management is assuming greater
importance in their changing financial situations, this choice of subject matter for the primary research of this study was thus seen to be of significant interest and value.

The accounts resulting from this study provide insights into the issues with which university leaders are currently dealing, and the changing management experiences that characterise their roles. These detailed accounts of their experiences add to the knowledge about leadership in the higher education sector, thus assisting in closing a significant gap in the literature.
Chapter 3
Methodology

An overview of the research plan

3 Methodology

3.1 Methodology introduction

3.1.1 Overview

This dissertation explores leadership in universities, in the context of changing times, as community expectations broaden to require not only academic excellence, but also high levels of management accountability. The first chapter provided an overview of the context of the research, in the turbulent higher education environment, as business management becomes a powerful force paralleling academic leadership of universities. This chapter sets out the methodology selected for the research project, explores the strategies and models used in carrying it out, and provides the rationale for the chosen approach.

A key objective of this research is to explore the impact of the increasing importance of business management, in conjunction with their academic leadership roles, on leaders of universities and to consider whether changing demands have resulted in advances in the personal leadership skills and qualities required of contemporary senior university personnel.

3.1.2 Research themes

The following diagram summarises the themes explored:
The issues are explored with a view to discovering the nature of new management challenges to current university leaders and how they deal with the potentially competing demands of business efficiency and academic excellence. A selection of the literature dealing with generic issues of contemporary leadership, university organisational structures, university organisational effectiveness and university leadership is reviewed, with one selected article used to guide the primary research, assisting in the generation of some of the questions which were asked during semi-structured interviews.

The themes discussed in the interviews, included the changing higher education environment, its impact on university leaders, and the professional and personal leadership skills needed to achieve the willing cooperation of followers. The application of these qualities was explored in the higher education context, and a range of leadership qualities was revealed as potentially advantageous, or even essential, for future leaders in the higher education sector. Likely future challenges for university leaders were also explored in the interviews.

### 3.2 Research Paradigm

#### 3.2.1 Choice of research paradigm

The research design used was qualitative, conducted in the realist research paradigm. “Realism is a philosophical approach to understanding reality that emphasizes the importance of taking into account not only what can be observed with the senses but what cannot …. Realists argue, therefore, that sociology must develop ways to identify underlying social mechanisms and to integrate these into our understandings and explanations of social life.” (Johnson, 2000)

Social research is characterised by a number of different philosophies, including positivism, symbolic interactionism, ethnography, and phenomenology, which can vary significantly.
in their perspectives and theoretical backgrounds. It can be argued that these differences reflect alternative combinations of political and value considerations in the world, and that the different perspectives can provide useful insights into research. The use of one perspective over another in a research project, and the subsequent implications of that choice, is an important consideration which will influence the design of the research methodology and the interpretation of the results (Stiles, 2003). It has been argued that positivist and phenomenological approaches to research address the philosophical extremes of social research (Strauss and Corbin, 1990; Smith and Dainty, 1991; Evered and Louis, 1991; Easterby and Smith et al, 1991; May, 1993; Cassell and Symon, 1994; Miles and Huberman, 1994). These approaches are briefly described below, and contrasted with the approach of Realism, which seeks to find a middle ground.

The positivist approach to research takes the position that the researcher is able to operate independently of the social world under investigation, evaluating it through entirely objective methodologies, based on the belief that the reality being investigated is structured in a ‘law-like’ manner, with human behaviour able to be explained in terms of cause and effect. The aim of positivist research is then to construct a set of theories that are able to be generalised to aid the development of knowledge (Heidegger, 1962; Everard and Louis, 1991). This research approach tends towards the use of questionnaires to collect data, and statistical analysis of results; whilst this approach does generate clear, generalisable and reliable results, it is seen by some to be limited to the refinement and extension of what is already ‘known’ (Easterby-Smith et al, 1991) therefore in some circumstances being seen to result in less useful outcomes by comparison with other methods. In contrast to this research approach, the phenomenological school of research sees the world as socially constructed through the interpretations of the people who inhabit it (Stiles, 2003) and therefore dependent on the subjective interpretation of the available information. The epistemological basis of this approach is the belief that knowledge is best conceived in terms of human experience, which may be inherently continuous and non-logical (Evered and Louis, 1991). Researchers using this approach need direct interaction with the phenomenon being investigated, and the categories within which this can take place are not defined; rather, they are developed inductively as themes emerge during the course of the study. Results are not planned to be generalisable, but are used to describe situations, leading to future more generalisable research. The researcher develops a relationship with the environment of the research, and re-evaluates his/her approach as new information is received, with meaning derived from the points of view of the participants. A more qualitative approach to data collection and interpretation is at the essence of this approach.

Realism introduces a research approach that takes the middle ground between positivist and phenomenological research. It accepts the phenomenological view that the social world can be understood from the perspective of its members by gaining access to their understandings, but also emphasises the value in theoretical frameworks to explain observations from the social world (Stiles, 2003, p.265). This view acknowledges that people’s understanding of the social world affects what they do; however, the realist approach accepts that this kind of knowledge may be partial or incomplete
In addition, realism proponents take the view that, as well as the insights collected from individuals about their social world, theoretical frameworks must also be used to explain observations from the social world to identify social mechanisms that influence the actions of individuals; the realist approach to research thus often favours a mix of research methods. Often, semi-structured interviews are used to generate a collection of rich, subjective data supported by the use of theoretical frameworks to assist in explaining the results of the research. Triangulation may be used in the research methods and/or analysis of the results (Stiles, 2003). In this sense, realism can be seen to offer a “bridge” between the positivist and phenomenological approaches or between “ideas and reality” (Symons, 1994). Realism acknowledges both the social environment and the theories of its underlying structures, aiming therefore to identify a particular reality, and understand it more fully, rather than attempting to establish a universal applicability (Stiles, 2003).

The following table compares some of the characteristics of positivism, realism and phenomenology.

<table>
<thead>
<tr>
<th></th>
<th>Positivism</th>
<th>Realism</th>
<th>Phenomenology</th>
</tr>
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<tbody>
<tr>
<td><strong>Conception</strong></td>
<td>The world is independent of our interpretation of it</td>
<td>There is a need to understand the process by which people interpret the world</td>
<td>The world can only be understood as a result of examining peoples’ selection and interpretation of events and actions</td>
</tr>
<tr>
<td><strong>Theoretical approach</strong></td>
<td>Deductive – data are theory driven</td>
<td>Inductive/deductive – Theory used to explain observations from social world</td>
<td>Inductive – theory evolves from observation</td>
</tr>
<tr>
<td><strong>Attention to people’s inner mental states</strong></td>
<td>Little</td>
<td>Some, insofar as it reflects the conditions under which they live and their desires are frustrated</td>
<td>Significant</td>
</tr>
<tr>
<td><strong>Aim</strong></td>
<td>Reflection of the everyday world</td>
<td>Reflection of conditions which make everyday world possible</td>
<td>Need to understand the processes of interpretation and the rules that make them possible</td>
</tr>
<tr>
<td><strong>Preferred research methods</strong></td>
<td>Quantitative</td>
<td>Triangulation/mixed methods</td>
<td>Qualitative</td>
</tr>
</tbody>
</table>

*Table 3*  
Comparison of philosophical positions of research paradigms  
Realism is situated in the ‘middle ground’ between extremes of positivist and interpretive research. The realist perspective thereby addresses both the social environment and its underlying structures, proposing that there is a real world to be revealed, even if it is only imperfectly apprehensible; understandings of research participants are explored because they provide a window to this real world, which exists beyond their perceptions and opinions (Healy and Perry, 2000, p.120). A Realist perspective was adopted for this research, as the researcher believes that there is a ‘real’ organisational world that university leadership seeks to address and that organisational reality would be made accessible to some extent through the perceptions of the research participants. Theory that purports to explain the higher education environment was used as the basis for the development of themes for the primary research, which was in the form of a series of semi-structured interviews, thus satisfying a key characteristic of the realist research paradigm. Blaikie (2000) discusses the concept of ‘triangulation’, and its usefulness in social research processes, to improve validity in the results and analysis. Whilst Blaikie is not convinced of the application of this tool in every situation, it nonetheless has been useful in the case of this research study with respect to the selection of interviewees. The interviewees included chancellors, vice chancellors, senior academic and senior administrative staff, commentators on higher education issues and experienced executive search professionals who work in the higher education sector; this group was drawn from eight different universities, and similar numbers of men and women participated. ‘Triangulation’ has thus to some extent been used in conducting the research, in that a variety of different points of view have been sought to provide veracity in the results, although this study draws on only a small sample. The use of mixed research methods, including triangulation, is a further characteristic of the realism research paradigm.

The research conducted sought to understand the reality of the current situation of university leaders, through the perceptions of the interviewees – many of them senior university personnel from university communities. In the analysis, notions of the interviewees’ social world were explored using theoretical frameworks identified through the literature, to assist in identifying the underlying mechanisms influencing their actions, and through the collection and analysis of rich, subjective data (Stiles, 2003, p.265). Selected theoretical references were used to aid the development of questions for use in the interviews (Mastrangelo, Eddy and Lorenzet, 2004) and to guide the analysis of the results (Trompenaars, Hampden-Turner, 2002).

The realism paradigm in conducting this study has been a useful approach for gaining further insights into the ‘real’ organisational world of universities, exposed in new depth through the perceptions of the research participants.

3.2.2 Research methodology aim

This study set out to explore the challenges facing university leaders through a review of relevant literature and through interviews with experts in the field, as is characteristic of phenomenological research in the Realism paradigm. A key goal was therefore to make sense of the issues confronting
university leaders in the current higher education environment, in ways that might be helpful for other practitioners.

A thematic analysis of the results was made, the outcome of which can be found in Chapter 5 of this document, to understand the perceptions of the interviewees and to identify issues emerging as significant to the study. Further study was also undertaken, in order to make sense of the resulting information beyond the understanding of individual interviewees, and beyond the thematic summary of the interview results. A theoretical framework was used to provide assistance in understanding the underlying mechanisms within the current higher education management context. By analysing the data through the lens of a conceptual approach that captures dilemmas confronting university leaders, the study moves beyond the information provided by individual interviewees, to reveal a broader and deeper picture of the issues being researched.

3.3 Literature search

3.3.1 Theory as basis for primary research

Prior to the collection of primary data, a comprehensive literature search was conducted in anticipation of the material thus compiled providing relevant background understandings to inform and direct the subject being researched. The results formed the basis for the development of the primary research plan, including refinement of the research questions, identification of themes for discussion, and selection and adaptation of a key reference to assist in developing the questions to be discussed with the interviewees. A further key reference was chosen to provide an illuminative conceptual frame for the analysis of the interview results.

3.3.2 Review of leadership theory

The search of the literature identified contemporary theory with respect to characteristics of successful business leaders. It also revealed challenges to current university leadership, characteristics of contemporary university leaders, and whether these characteristics have changed in recent times. The review of the literature aimed to identify a conceptual framework, based in sound organisational management, against which to assess those qualities identified as desirable for existing and future university leaders.

3.3.3 Selected reference from the literature as a research tool

A model proposed and tested by Mastrangelo, Eddy and Lorenzet (2004) was chosen to assist in development of the questions to be used in the primary research, due to its relevance to the issues arising with leadership in universities identified in the literature research. Based on a theory of ‘willing cooperation’, and the professional and personal leadership attributes which are purported to assist in gaining such cooperation from ‘followers’, questions were developed to explore the distinct leadership characteristics which may pertain to university leaders, both professional and personal. The challenges of leading different groups of personnel in universities were also explored, along with the skills
required to gain the willing cooperation of the distinct groups of academic and non-academic staff. As well as shaping some of the interview questions, the subject matter in turn assisted in the generation of broader discussion about issues currently affecting the roles of contemporary university leaders. The use of a specific set of questions to which all the interviewees responded enabled the establishment of a clear process for reviewing the results.

### 3.3.4 Selected reference from the literature as an analytical tool

The analysis of the results in Chapter 5 makes use of a model for dilemma reconciliation (Trompenaars, Hampden-Turner, 2002) taking a deeper view than the simple identification of consistent themes in Chapter 4. This theory identifies polarised issues confronting leaders, and proposes ways in which they can progress towards reconciliation. In Chapter 5, key dilemmas from the results of the interviews are identified, and some of the actions being taken by university leaders to progress them towards reconciliation are noted. In Chapter 6, ‘Conclusion’, the overarching dilemma facing university leaders is considered and the potential for reconciling it is discussed. Theory has thus been used as a conceptual ‘window’ through which to guide and view the primary research; a significant characteristic of the Realist research paradigm.

### 3.4 Research questions

#### 3.4.1 Changing higher education environment

The following diagram shows significant changes that have occurred in the university environment, their impact on the organisational structure, and the resulting impact on university leadership which is explored in this research project. Due to the increasing size and complexity of universities, with increasing annual budgets and the requirements for them to operate in competitive marketplaces to secure larger proportions of private funding, the roles of non-academic staff have expanded.

![Figure 3 Forces changing university leadership](image)

Administrative support for academic activities has now become serious business management, leading to changes in structure and power distribution in higher education institutions.
3.4.2 Research questions

This study explores the issues of the impact of this changing environment on university leadership, and the attributes needed by successful leaders in contemporary universities. The primary question addressed by the research asks:

“What, according to university leaders, are the main management challenges they face now, and in the next five years, as both the business performance and the academic prowess of universities are rigorously scrutinised?”

Subsequent or secondary questions which are also considered are:

“What qualities do university leaders perceive they need to deal with these potentially competing demands?”

“What qualities are thought to be required by future university leaders to best prepare them for future demands? And

“How can we make sense of the main management challenges facing university leaders, and the approaches they are taking to meeting those challenges, in ways that might be helpful for other practitioners?”

3.5 Research themes

3.5.1 Themes from the research

Several key themes have emerged for consideration during the research process, including

- Identification of the changes to the role of university leadership as leaders have had to accommodate:
  - a changing higher education environment with huge increases in size of institutions and their annual revenues and expenditures;
  - a volatile and increasingly regulated sector;
  - reduced government funding, leading to a competitive higher education marketplace;
  - a continuing requirement for academic leadership and excellence;

- The implication of these changes on the characteristics of university leadership roles, and whether these characteristics have changed from the requirements of university leaders in earlier times;
The professional and personal attributes required for leaders to carry out their roles, and whether these attributes vary in the leadership of such disparate groups of followers as academic and non-academic personnel;

The particular attributes that are required by university leaders to gain the willing cooperation of their academic and non-academic staff;

The means by which leaders cope, both professionally and personally, with this demanding and changing environment, and the challenges confronting them;

Developing changes in the higher education environment, and the subsequent challenges emerging for university leaders in the future;

A series of dilemmas facing university leaders. These largely result from a changing funding base from public to private, forcing universities to operate more like businesses in order to generate new sources of income, concurrent with an increasing requirement for accountability, while at the same time maintaining traditional standards of academic excellence and impartiality.

3.6 Research methodology

3.6.1 Research strategy

The strategy for the research included a selective review of the literature, to identify relevant theoretical frameworks within which to develop the primary research program. The primary research program consisted of interviews with eighteen individuals, identified as experts in the field of higher education leadership and management. The design of the interviews was guided by the frameworks identified through the literature review, thus resulting in semi-structured in-depth interviews, producing a consistency in their content which aided systematic analysis of the resulting information.

The final stage of the research strategy was the use of dilemma reconciliation theory to assist in the analysis of the results, and to aid in formulation of some proposals to add to the knowledge of management practice in this sector, as is appropriate for a dissertation of this type.

3.6.2 Data collection technique

A range of data collection methods typify research conducted in the Realist research paradigm, including semi-structured interviews (Stiles, 2003, p.265). As the phenomenological school of thought propounds that the world is socially constructed through the interpretations of the people within it, researchers in the field require direct contact with the phenomenon under investigation (Stiles, 2003, p.264). Consequently, the collection of data within this paradigm frequently employs methods which generate information using small samples of participants, in natural locations, resulting in data which is qualitative, rich and subjective (Collis and Hussey, 2003, p.55). Such a collection technique was used in this study.
3.6.3 Semi-structured interviews

General theories about the nature of social phenomena, according to Taylor and Bogdan (1998) can be developed as a result of interviewing multiple informants. An informed, participant observation research technique was the interview process chosen for this project, as the researcher was at the time a manager in a university. The individual, somewhat structured interviews were interactional encounters, in that the researcher participated to some extent in the discussions stimulated by the questions posed. For this research, the interviews were all conducted by the researcher. As a senior manager in a university, the interviewer was part of the social world of the interviewees and was thus ideally placed to explore their workplace from the ‘inside’ – a key characteristic of phenomenological research (Blaikie, 2000). The review of the literature provided a theoretical framework of the issues surrounding university leadership in the twenty-first century. A dynamic model of professional leadership identified through the literature was used to assist in the development of questions for the semi-structured interviews; research questions were refined, and questions for use in the interviews were developed using the theory to provide a ‘window’ through which to view the world of university leadership, with the perceptions of the interviewees providing a range of rich data. The interviews were designed with a view to establishing whether the experience of individuals in the field supported or contrasted with the theories in the literature with respect to changes in the management of universities, and the qualities required for contemporary university leaders successfully to carry out their roles. In addition, it sought new information from the interviewees, with respect to desirable future leadership qualities in this context. The five themes for discussion were derived from issues that arose through the literature search with respect to the current university environment, the nature of personnel and leadership within universities, and the ‘willing cooperation’ model (Mastrangelo, Eddy and Lorenzet, 2004).

Face to face interviews were conducted with seventeen senior personnel, including university executives, leaders of academic faculties and administrative divisions from a number of different university communities and external experts in the field. The interviews ran for an average of ninety minutes. An eighteenth interview was completed by email. A number of themes on the challenges of university leadership and the recent changes in higher education organisations were explored in response to a series of set questions, with the interviewees also having the opportunity to speak freely at the end of the interviews on other issues which they believed relevant to the discussion. In depth, discursive interviews were chosen over alternative techniques of data collection. Participants were asked to express their opinions and discuss their experiences, so the qualitative nature of the discussion did not lend itself to the collection of statistical results; the subject matter was inappropriate for simple ‘yes and no’ question and answer surveys. The use of fully unstructured interviewing (Fontana and Frey, 2000) was also not preferred in this instance; although it has the advantage of providing the opportunity for a wide range of information to be exposed, the open-ended nature of the technique opens up the possibility that the results of the research may in the end be so broad as to be inconclusive.
The focus of the research was the collection of the personal and professional experiences of these people and their opinions on ways in which universities might plan for the future by selecting or equipping senior personnel to deal with their changing university landscape.

3.7 Interview content

3.7.1 Interview questions

Janesick (1998) notes that usually five or six questions will yield over one hour of interview data, but it is advisable that the interviewer be well prepared with more questions than may be considered necessary. In the interviews which were conducted, five themes with respect to the higher education environment and the challenges of contemporary university leadership were raised, and at the end of each interview the respondents were asked for any additional general comments they might wish to make on the subject. The following table summarises the key themes of discussion, and the questions directed to the interviewees:
<table>
<thead>
<tr>
<th>QUESTION</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme 1: - Changing Higher Education Environment</strong></td>
<td>This theme explores recent changes in the higher education environment and their impact on university management, thus introducing issues raised in the primary research question.</td>
</tr>
<tr>
<td>i) In your experience, what are the most significant changes or influences in the higher education environment (academic and/or business) in recent years?</td>
<td></td>
</tr>
<tr>
<td>ii) Can you rank these changes in order of their impact on management of universities?</td>
<td></td>
</tr>
<tr>
<td>iii) Are you aware of any emerging trends which will cause more change in universities in the future, and if so would you describe them?</td>
<td></td>
</tr>
<tr>
<td><strong>Theme 2: - University Leadership Challenges</strong></td>
<td>This theme builds on the earlier questions, further exploring the main research question to identify key management issues facing contemporary university leaders.</td>
</tr>
<tr>
<td>iv) In your experience, what are the most significant challenges to university leadership which have resulted from these changes in the higher education environment?</td>
<td></td>
</tr>
<tr>
<td>v) Can you rank these challenges in order of their impact on you as a university leader?</td>
<td></td>
</tr>
<tr>
<td>vi) Which challenges are most difficult with which to deal?</td>
<td></td>
</tr>
<tr>
<td>vii) Can you give an example of what works for you in dealing with these challenges?</td>
<td></td>
</tr>
<tr>
<td>viii) Can you identify future new challenges emerging for university leaders?</td>
<td></td>
</tr>
<tr>
<td>QUESTION</td>
<td>RATIONALE</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>Theme 3: - Professional Leadership Attributes</strong></td>
<td>This issue explores the professional skills required of university leaders in the changing education environment, and in the context of two significantly different groups of staff, thus exploring issues raised in the secondary research questions.</td>
</tr>
<tr>
<td>ix) In your experience, what professional qualities are required to be a university leader? (For example, academic, technical or managerial skills.)</td>
<td></td>
</tr>
<tr>
<td>x) Can you rank these qualities in order of importance for university leaders?</td>
<td></td>
</tr>
<tr>
<td>xi) In your experience, has a growing emphasis on business management in universities required you to develop additional professional skills, and if so can you describe them?</td>
<td></td>
</tr>
<tr>
<td>xii) In your experience, are the professional attributes required to lead academic personnel different from those required to lead non-academic personnel, and if so can you give examples?</td>
<td></td>
</tr>
<tr>
<td>xiii) As a leader, which professional skills are the most difficult to develop?</td>
<td></td>
</tr>
<tr>
<td>xiv) What has worked for you, to help you develop these skills?</td>
<td></td>
</tr>
</tbody>
</table>

| **Theme 4: - Personal Leadership Attributes** | This issue explores the professional skills required of university leaders in the changing education environment, and in the context of two significantly different groups of staff, thus further exploring issues raised in the secondary research questions. |
| xv) In your experience, what personal qualities are required to be a university leader? (For example, honesty, charisma, communication skills etc.) | |
| xvi) Can you rank these qualities in order of importance for university leaders? | |
| xvii) In your experience, are the personal attributes required to lead academic personnel different from those required to lead non-academic personnel, and if so can you give examples? | |
| xviii) As a leader, which personal skills are the most difficult to develop? | |
| xix) What has worked for you, to help you develop these skills? | |
### Theme 5: Willing Co-operation

An illuminative model identified in the leadership literature considers personal and professional leadership qualities in relation to achieving willing cooperation from staff.

**xx)** In your experience, what skills do leaders require to achieve willing cooperation from staff?

**xxi)** Can you rank these qualities in order of importance for university leaders?

**xxii)** In your experience as a university leader, do you find that you use different skills to achieve willing cooperation of academic and non-academic staff, and if so can you give examples?

**xxiii)** As a leader, which skills are the most difficult to develop, to gain the willing co-operation of your staff?

**xxiv)** What has worked for you, to help you develop these skills?

### Theme 6: General

Can you make any further comment, from your personal and professional experience, about the challenges faced by contemporary university leaders and the personal or professional qualities they need competently to manage these challenges, now and into the future?

### Table 4    Interview themes and questions

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme 5: Willing Co-operation</strong></td>
<td>This theme builds on themes 3 and 4, thus beginning the process of comparing the model identified in the literature with the experiences of the interviewees.</td>
</tr>
<tr>
<td><strong>Theme 6: General</strong></td>
<td>This question responds to the final research question, as well as seeking further input on the subject generally. It also may identify any other relevant issues which have not been drawn out in the previous discussion.</td>
</tr>
</tbody>
</table>

### 3.8 Selection of participants

#### 3.8.1 Sources and selection criteria

Participants in the primary research were generally sourced from universities, with some contributors having a connection with more extended university communities, rather than a day to day operational involvement. Participants were recruited through personal introductions by other university-related people, and were typically senior university staff members, or senior personnel connected with universities. Contributors were both male and female, ranging in age from approximately forty to
seventy years of age. Interviewees were selected as a result of their positions in university communities, on the basis that they could provide insights into the subject being explored, as a result of their roles. Those interviewed were chancellors, vice-chancellors, senior administrators, senior academics, and other senior executives, as well as executive search consultants specialising in the higher education sector. The interviewees gave wide ranging perspectives on issues associated with university leadership and provided richly detailed accounts of their experiences. Through these personal accounts, the social world of university leaders was explored; many challenges which confront contemporary university leaders were identified, and the personal qualities required to deal with these challenges were reviewed.

3.8.2 Participant profiles

The research included eighteen interviews with such senior personnel. The range of individuals interviewed included representatives from the following groups:

<table>
<thead>
<tr>
<th>ROLE</th>
<th>NUMBER OF INTERVIEWEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chancellor (past/current)</td>
<td>2</td>
</tr>
<tr>
<td>Vice Chancellor/President (past/current)</td>
<td>7</td>
</tr>
<tr>
<td>Senior Executive (academic)</td>
<td>1</td>
</tr>
<tr>
<td>Senior Executive (administration)</td>
<td>1</td>
</tr>
<tr>
<td>Faculty Dean</td>
<td>1</td>
</tr>
<tr>
<td>Head of Administrative Division</td>
<td>2</td>
</tr>
<tr>
<td>Senior academic</td>
<td>1</td>
</tr>
<tr>
<td>Senior administrator</td>
<td>1</td>
</tr>
<tr>
<td>Executive search consultants (higher education)</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 5  Participant roles

Eight different university communities were represented, with the interviewees representative of a broad and relevant set of sub-groups, including:

- Similar numbers of general staff and academics
- Staff currently or recently (last five years) employed as university leaders
- Similar numbers of males and females
- External commentators with close connections with university management

### 3.8.3 Interview process

Seventeen face to face interviews which ran for an average of ninety minutes were conducted. An eighteenth interview was conducted by email. The interviews were conducted on the following dates:

<table>
<thead>
<tr>
<th>DATE</th>
<th>NUMBER OF INTERVIEWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 13 2005 (pilot interview)</td>
<td>1</td>
</tr>
<tr>
<td>September 3 2005</td>
<td>1</td>
</tr>
<tr>
<td>September 5 2005</td>
<td>1</td>
</tr>
<tr>
<td>September 6 2005</td>
<td>1</td>
</tr>
<tr>
<td>September 7 2005</td>
<td>1</td>
</tr>
<tr>
<td>September 14 2005</td>
<td>1</td>
</tr>
<tr>
<td>September 15 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 4 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 5 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 6 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 14 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 18 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 24 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 26 2005</td>
<td>1</td>
</tr>
<tr>
<td>October 28 2005</td>
<td>1</td>
</tr>
<tr>
<td>November 3 2005</td>
<td>2</td>
</tr>
<tr>
<td>December 19 2005</td>
<td>1</td>
</tr>
</tbody>
</table>

**Table 6** Interview dates
The first, a pilot interview, was held several months prior to the balance of the interviews, in order to review the question set as a result of the first discussion. The interview questions were subsequently refined, in order to gain more specific responses from the informants. The interviews were semi-structured, with several themes and a selection of questions discussed with each interviewee; as described in section 2.7. Participants were then asked to make an additional general comment on university leadership and the research topic at the end of their interviews. The face to face meetings were tape recorded, and fully transcribed. The transcripts were used as reference material for the process of summarising and analysis of the results. Interviewees were sent transcripts from their interviews, and were able to request amendments prior to their use in this thesis.

There were no perceived risks or disadvantages to participants in the research, as individuals and their organisations have not been identified by name. Transcripts and tape recordings of interviews have been securely stored at the RMIT University Graduate School of Business, and may only be accessed by those directly involved in the research. Participation in the research was voluntary, and subjects were offered the opportunity to discontinue their participation at any time during the project. Subjects were also advised that they could withdraw any unprocessed data previously supplied, prior to completion of the final thesis.

Participants were made aware that they could at any time during the project ask for clarification of any aspect of the research that concerned them; contact details of the Faculty Human Research Ethics Committee were provided.

### 3.9 Analysis of results

#### 3.9.1 Overview

The primary research was designed to access and explore the experience of individuals in the field as a method of going beyond the literature with respect to changes in the management of universities. In addition, it sought new information from the interviewees, with respect to their perceptions of the key leadership challenges in universities at this time, and the identification of necessary and/or desirable future leadership qualities to meet these challenges now and into the future.

#### 3.9.2 Presentation of results and analysis

In the presentation of the results of the interviews in Chapter 4, a large selection of excerpts from the transcripts has been included, in order to demonstrate and illustrate the depth and colour of the responses to the questions. In this study, the interviewees were articulate, highly educated and deeply informed, which is reflected in the quality of their responses. Presenting many of their comments verbatim provides a more immediate, hermeneutic insight into the interviewees’ experiences than if their comments were paraphrased and summarised. Similarly, extracts from the interviews have been used in Chapter 5, to illustrate and illuminate the issues and themes identified.
3.9.3 Analytical process

The data generated from the interviews was analysed with a view to identifying emerging trends in relation to the research questions and the potentially conflicting demands of academic and management accountability. A method of agreement approach was used to explore the results of the research, forming the basis of an analytic comparison of the data generated from the interviews, drawing links to identify general trends in relation to the research topic. This model of analysis, developed initially by British philosopher and social theorist John Stuart Mill in the nineteenth century, uses ideas from pre-existing theories or observations of regularities or patterns in social contexts (Neuman, 1991). These observed regularities are reviewed and contrasted, with explanations contemplated.

A Realist research strategy was applied using the method of agreement technique to generate broader social scientific accounts of university leadership from the individual accounts revealed in the interview process. This approach was used to identify common themes in the interview data, and to compare them with the literature. Key issues which affect university management now and into the future were highlighted, and the characteristics which will be necessary for the future success of university leaders were explored.

3.9.4 Reference from literature as a tool for analysis

The data resulting from the interviews has been reviewed and analysed through the ‘lens’ of a conceptual framework of dilemma reconciliation theory (Trompenaars, Hampden-Turner, 2002). Dilemmas raised repeatedly in the responses of the interviewees were identified, and the polarities of a number of significant issues with which university leaders are dealing on a daily basis were highlighted. This second stage of the analysis was taken as a means of addressing the secondary research question:

“How can we make sense of the main management challenges facing university leaders, and the approaches they are taking to meeting those challenges, in ways that might be helpful for other practitioners?“

3.9.5 Presentation of results

Research results were amalgamated and have been reported in Chapter 4 of this document, ‘Results’ and analysed in Chapter 5 ‘Discussion’.

3.10 Ethical issues

3.10.1 Overview

Ethics, according to the Collins English Dictionary (2001), can be defined as the study of the moral value of human conduct, and the principles that should govern it. In exploring the ethical dimensions of the research to be undertaken, a number of issues arose.
3.10.2 Participant consent and the right to withdraw

Before the research was commenced, the voluntary consent of participants was obtained. The ethical and legal requirements of consent are set out in the *National Statement on Ethical Conduct in Research Involving Humans*, where it is confirmed that obtaining consent should involve:

“(a) provision to participants, at their level of comprehension, of information about the purpose, methods, demands, risks, inconveniences, discomforts, and possible outcomes of the research (including the likelihood and form of publication of research results); and

(b) the exercise of a voluntary choice to participate” (NHMRC, 1999).

Participants were not forced to be involved in the research. Furthermore, they were advised that they had the right to withdraw at any stage; particularly on the grounds of concern for their own well being should they have continued to participate.

According to the RMIT University ethical guidelines, “The informed consent of participants is a central ethical principle in the conduct of projects involving humans as participants of research or experimentation. It is the responsibility of researchers to ensure that consent to participate is both informed and freely given by the participants of their research” (RMIT, 2002).

Informed consent was ensured by completion of appropriate documentation before the research project was commenced. All potential interviewees received a plain English summary of the issue being explored prior to interview, and were asked to return a signed consent form, confirming that they participated in the research of their own free will.

3.10.3 Privacy and no harm to participants

The privacy of participants was protected during the conduct of the research – their dignity, confidentiality and autonomy were paramount. In this instance, the results of the individual interviews and names were deleted from all records. Interviewees were provided with copies of notes or transcripts from their interviews, to confirm their accuracy, before the thesis was completed.

3.10.4 Discrimination

In designing research processes, a key consideration is discrimination against any individual or group of people. Issues such as the use of discriminatory language, gender, or race are all potential areas for discrimination. Such issues were not foreseen at the outset of the research, were monitored as the process evolved and did not eventuate.

3.10.5 Misuse of research

After its completion, the results of a research project can be put to use by others with agendas quite different from those of the original researcher. Research outcomes can be used, or misused, at a later date for political gain, or perhaps by an ‘official’ power, to shape the future behaviour of the people concerned, either to their disadvantage, or in a way which the original researcher had not intended. In
this instance it was intended that the research would be useful in understanding current and future directions of university leadership; mis-use of the results is not foreseen at the time of publication of this document.

3.10.6 Power inequality

The dynamics of the ‘power’ relationship between researcher and participants can be an issue, resulting in pressure being exerted on interviewees to respond with a particular bias. In this instance, however, the balance of power was more typically with the interviewees, as they were in either equivalent or higher levels of university management than the researcher. Questions were designed to maximise the likelihood of participants responding honestly, without the influence of any perceived lines of authority.

3.10.7 Proper use of resources

Proposed research must be considered to be absolutely necessary, so that it cannot be seen to be wasteful of scarce resources – in itself an ethical consideration. As a gap in the knowledge about the current circumstances of university leadership was evident, the subject appeared to be worthy of more detailed exploration and the research was therefore considered to be a worthwhile use of resources.

3.10.8 Publication

A potential ethical issue may arise with respect to publication of research findings. If the results of a study are controversial, they may be seen to cause harm if they are published; alternatively, there will be instances of ethical concerns if research findings are not published, and the researcher allows the information to ‘sit unknown’ (Kellehear 1989.) This issue has not eventuated at the time of publication.

3.10.9 Risk management

There are three risk categories of research projects, at levels 1, 2 and 3, (with 3 being the highest risk activity) defined in the RMIT University guidelines. In this instance, the proposed research was in the lowest level 1 risk category, the description for which is as follows:

“Research that involves non-invasive projects where there is no risk to participants above the everyday norm and where participants are not identified. It includes:

- research involving the use of standard tests and questionnaires administered appropriately to normal subject populations, and where data are recorded in such a manner so that the participants are not and cannot be identified;

- research or evaluative procedures involving observation of public behaviour on unidentified participants, where data are recorded in such a manner so that the participants are not and cannot be identified;
. research or evaluative procedures involving collection of existing publicly available data, documents and records; and

. research carried out, such as in an educational setting, using groups of participants (rather than individual participants), where data are recorded in such a manner so that the participants are not and cannot be identified” (RMIT, 2002).

3.11 Problems and limitations

3.11.1 Practical problems

Some practical problems arose in carrying out the research:

Initially the study was proposed to be carried out in one university, to gain an in depth view of leadership with one case study; however, the senior executive of that university decided against allowing such a study, preferring only a small number of their senior personnel to participate. As a result, the research was re-designed to be carried out with participants selected from a number of different universities including the original one.

As the research required the input of personnel at the highest level in universities, there were significant limitations on their availability, which led to some difficulty in scheduling interviews.

One of the participants was from interstate. As a result, rather than a face to face interview, this informant provided written answers to the questions discussed at the other interviews. Whilst it was considered that this did not affect the quality of the information provided, it is likely that some of the rich detail resulting from lengthy interviews which are conducted in person was not available.

3.11.2 Potential for skewed results

There was some potential for skewed results, arising from the possibility of interviewees feeling disinclined to provide completely true accounts of their experiences, for fear that in some way they or their institution may be found wanting (although they were assured of full confidentiality). This may have limited the accuracy of the research; for example:

- Interviewees may have been inclined to report their experiences in more favourable terms than the reality;
- Interviewees may not have reported accurately or comprehensively on the challenges with which they are faced.

Alvesson (2003) discusses research interviews, and the temptation for researchers to treat interview data simplistically, thus not identifying the potential for the results to be influenced by the circumstances in which the interview is conducted. Alvesson warns that the research interview is “a socially and linguistically complex situation” (p.14) and that it is a complex social event, where a
theoretical understanding of the conduct of interviews must be applied, in order to avoid the interpretation of the resultant data being naïve, lacking in depth and therefore inconclusive.

Alvesson purports that, ideally, the research interview can become “…a site for exploring issues broader than talk …. Without falling too deeply into the trap of viewing interview talk as a representation of the interiors of subjects or the exteriors of the social worlds in which they participate” (Alvesson, 2003, p.17).

Alvesson discusses means by which it can be ensured that interview data is more than superficial commentary from individuals who are influenced by the circumstances of the interview, thus modifying their answers to provide the results they believe are desirable; or who are moving so deeply into discussion of their own personal feelings and experiences that generalisations about the situation being researched cannot be developed from such responses.

Although the above were possible concerns with respect to the research results, the researcher was of the opinion that, due to the project being within universities, where there is a natural inclination to be supportive of research, and due to the high standing of the interviewees as experts in their field, such issues have not significantly limited the accuracy of the results of this research project. The nature of the material discussed was neither ‘right nor wrong’, which would also disincline interviewees to give misleading responses.

3.11.3 Limitations of size
As the research was limited to eighteen informants in total, the results must be seen as representative of a relatively small sample. A larger group of interviewees would give more confidence in claiming that the management dilemmas are limited to the number identified. Additional interviews would also add to the richness of detail able to be reported, and would perhaps identify additional ways forward in the resolution of current leadership challenges in universities.

3.12 Outcomes
As a result of the research, the key issues confronting university leaders in the current higher education environment emerged and qualities required by leaders to deal with them also became apparent. These results have, in turn, highlighted a skill set for future leaders required for them to manage and deal with conflicting demands in their complex academic and business environments. In addition, dilemmas confronting personnel in these positions of responsibility have been identified, and approaches to dilemma reconciliation contemplated, in order to contribute to the knowledge of internal university management processes and contemporary professional practice.

3.13 Communication of findings
Copies of the completed research proposal have been made available to RMIT University, as the university for which the doctoral work was undertaken, and to each of the participant interviewees, for use in their respective higher education workplaces.
In addition, there is future potential for the research to be exposed through a presentation at a TEFMA/ATEM conference – an annual event held by the professional body for university administrators in Australia, which is also affiliated with APPA, a similar organisation in the USA. Papers from these conferences are subsequently published on the TEFMA and ATEM web sites.

The researcher and supervisor of the project plan to publish a paper presenting the research findings.
Chapter 4
Results

A summary of the results of the interviews

4 Results

4.1 Results introduction
This chapter presents the results of the interviews, following the format in which each interview was conducted. Each interview was divided into six themes, with a number of questions asked in relation to each theme. The results are compiled under these theme headings, and summaries of all the responses to each individual question are listed. Consistent themes emerging from each set of responses are identified; where appropriate the results have been presented in table format for ease of comprehension.

A large selection of excerpts from the transcripts has been included, in order to demonstrate and illustrate the depth and colour of the responses to the questions and to add a richness of detail to assist in understanding the issues being discussed. Many of the responses have been presented verbatim in order to not lose the quality and richness of the information in the reporting process, and to provide a more immediate, hermeneutic insight into the interviewees’ experiences than if their comments were paraphrased and summarised. In this study, the interviewees, experts in their field, were articulate, highly educated and deeply informed, which is reflected in the quality of their responses. Similarly, extracts from the interviews have been used in Chapter 5, to illustrate and illuminate the issues and themes identified. Each quotation has been followed by a letter and number code in brackets (for example, $i6$, $i8$, $i15$ and so on) which refers to the interviewee who made the comment. Further details of the interviewees have not been listed, for reasons of confidentiality.

As noted in Chapter 2 ‘Methodology’, a model from the article Personal and Professional Leadership (Mastrangelo, Eddy and Lorenzet, 2004) was used as a source to collect together and integrate a wide range of issues, covered in the literature, and to thereby structure the generation of many of the interview questions dealing with issues of leadership, and the attributes such roles require. These questions were then used to generate discussion relevant to leadership in the higher education context.
4.2 Theme 1

4.2.1 Theme title

Theme 1 in the interviews was concerned with *The Changing Higher Education Environment*, with three questions being posed on this subject.

4.2.2 Question i)

The first question asked of the interviewees was:

*In your experience, what are the most significant changes or influences in the higher education environment (academic and/or business) in recent years?*

As the term ‘recent years’ had been left undefined, some interviewees remarked on changes which had occurred within the last twenty years; others asked for clarification, and changes in the past ten years were discussed. Changes in higher education prior to the 1980s were generally not seen as recent enough to warrant priority.

Issues which were highlighted as significant are listed in the following table. The table also indicates the number of interviewees who alluded to each issue in their response.

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>NUMBER OF REFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>The decline in government funding and the subsequent need for</td>
<td>15</td>
</tr>
<tr>
<td>universities to seek alternative private revenue sources</td>
<td></td>
</tr>
<tr>
<td>Government intervention in internal university affairs, and</td>
<td>11</td>
</tr>
<tr>
<td>increased government regulation and scrutiny</td>
<td></td>
</tr>
<tr>
<td>Internationalisation, both in terms of international students in</td>
<td>10</td>
</tr>
<tr>
<td>Australia and Australian campuses overseas</td>
<td></td>
</tr>
<tr>
<td>An increase in business management culture within universities</td>
<td>8</td>
</tr>
<tr>
<td>Increased competition, both between and within universities</td>
<td>7</td>
</tr>
<tr>
<td>An increase in the size and complexity of Australian universities</td>
<td>5</td>
</tr>
<tr>
<td>through amalgamations</td>
<td></td>
</tr>
<tr>
<td>A new emphasis on differentiation as a result of the new</td>
<td>5</td>
</tr>
<tr>
<td>marketplace culture</td>
<td></td>
</tr>
</tbody>
</table>
Globalisation including international rankings | 5
Changes in student culture and the role of education in their lives | 5
Flexibility in the way staff can be employed and a new performance culture | 4
The effect of the Information Technology revolution | 3
Ageing academic population | 1
Increased public scrutiny of university affairs | 1
Increase in the speed of change within universities | 1
Provision of subsidised income contingent loans to private places in public and private providers | 1
Emphasis on risk and compliance | 1

| Table 7 | Recent higher education challenges |

Changes in funding sources
The recent decline in government funding of Australian universities was seen as a major contributor to the current change in the contemporary higher education sector; particularly as this has resulted in a greater dependence on private fund sources, with the accompanying demands on universities that come from operating in a private marketplace.

“When I went to university, universities received between ninety and a hundred percent of their funding from .... governments. Now they’re around forty, or between thirty and forty; so, they need to earn their own revenues and they need to be run much more as businesses. I think the financial management of universities was much easier in the old days; you only had to worry about the expenditure line, your revenue line was a given, and that’s changed profoundly” (i6).

This notable change in the management of universities was seen to have resulted in a number of the other significant developments in university management in recent times, such as the need for universities to operate like private enterprises in their pursuit of funds. Interviewees commented on the
decline in government funding concurrent with the need to generate more money from new fund sources.

“The declining expenditure of public resource, the requirement that we garner more of our resource from private sources; now, across the globe people are expecting higher education to get more money from private sources, but … only in Australia is that also meaning decline in public resources …. That poses a challenge, because you are getting a declining resource and you are being increasingly forced therefore to respond to a market which is globalised……. So we are less insulated from that by government spending than many other places around the world. And we have had great pressures on us, I think, in terms of being more flexible, being more market oriented, being more efficient in the way we deliver all sorts of services” (i8).

Increased government scrutiny
An increase in government intervention in, and scrutiny of, the affairs of universities, was seen by the interviewees as having had a major impact on university management in recent times. A number of interviewees commented that attention to government regulatory requirements is time consuming beyond its importance, and it was noted as having had a range of significant repercussions, including an increased emphasis on risk management and compliance.

“I think the second biggest change, which has happened over the last two and a half years, has been the degree of precision expected in terms of the government regulation of what’s offered at undergraduate levels. So, we have a combination of decreased government income, and increased government regulation, …. but in addition, a range of compliance requirements in the field of endeavour, whether it’s occupational health and safety, or financial risk management or whatever, which has also altered the way in which universities are managed” (i16).

“(There is a) very much increased emphasis on risk and compliance, which characterises all our activities; and I think where previously at the central executive level there would always have been an emphasis on risk, and a definition of that in a range of ways, now those discourses about risk, and about compliance, with rules in order to avoid risk, have found their way right down to the very most junior level of the general or academic staff” (i7).

Internationalisation and globalisation
Internationalisation of higher education was observed to be having a major impact on the management of contemporary Australian universities. It was noted that there are various aspects of internationalisation, and several of the research participants differentiated between
‘internationalisation’ and ‘globalisation’ of Australian higher education institutions. Key components of this issue were seen as:

- International students attending Australian universities
- Australian universities establishing campuses overseas
- Overseas universities establishing campuses in Australia
- Increased interaction between Australian and overseas universities
- The introduction of international university rankings

Some comments from the interviewees are noted below; additional quotations from the interviewees on this issue can be found in Appendix A at the end of this document.

“……the growth in what I’ll call internationalisation of the university, which certainly has a revenue side to it, because Australian universities have all increased the numbers of fee paying students, and most of them from international sources; but I mean much broader than that. ….There is a real emphasis on having to …. develop external contacts in research, in teaching and learning, benchmarking, all those things…. internationalisation of all our activities is expected” (i7).

“…. very significant in the last three or four years, is the rise in international comparisons” (i10).

**Increase in business culture**

A further result of the changing fund sources is a greater emphasis on the running of universities as businesses. There has been a significant increase in the numbers of administrative staff employed, and a new awareness has emerged of such management ‘speak’ as strategic planning and financial management.

“The continuing professionalisation of general staff functions, including a lot of what you’d call business functions; not only marketing and promotion, but asset management, financial management, quality assurance, fund raising; all these have become associated with professional divisions, often replacing one person, or no function at all fifteen years ago, or even ten. ” (i10).

An extended version of this quotation from interviewee i10 is included in Appendix A.
The issue of people of academic background, often without formal business training, being responsible for running multi-million dollar organisations was also raised.

“I think probably the biggest change that I’ve seen…..has been an expectation that the universities become more businesslike in the way that they operate. It’s almost an oxymoron that universities will be businesslike, because they aren’t businesses, so the best that they’ve been able to do from my observation is pretend; and it’s very hard, because the vice-chancellors are not business people, they are academics. So you have got academics that are trying to be businesslike, but are not business trained, running billion dollar corporations….. but with no training in doing that” (i5).

**Increased competition and differentiation**

The results of the interviews indicated that the respondents have observed a marked increase in competition, both between universities within, and outside Australia. The following comments from the interviewees reinforce this observation; an additional quotation on this point is noted in Appendix A.

“ (There is an) emphasis on competition in the system, so that increasingly institutions are positioning themselves against each other and trying to gain and sustain competitive advantage, hence spending a lot on marketing and promotion. How much we’re not sure, but I think it might be more than ten percent of total budgets in some places” (i10).

“And it’s not just competition from within Australia; there is clearly competition outside Australia, both from international universities attracting Australians to go and study there …. (and) international universities starting up, or threatening to start up in Australia” (i6).

**Size and complexity**

The Dawkins reforms of the 1980s, when Australian higher education institutions were amalgamated to form the thirty-eight universities of today, were seen as the fundamental events underpinning many of the major changes which are now affecting contemporary Australian universities, as illustrated by the following excerpts from the interviews:
“…. well, all change recently stems from the Dawkins reforms of the late 1980s, with the amalgamations of universities, and that created an environment where universities simply feel like they’ve just got to keep on getting bigger and bigger and bigger and bigger; and what’s really difficult, I think, the biggest change that’s taken place and the biggest influence on the way universities are being run at the moment, is that they’re too big now” (i14).

“….the Dawkins revolution absolutely transformed the environment, to move away from an elite system to ….. a unitary system, and ending up with 38 universities; (this) was part of the international trend to mass education, away from elite tertiary to mass, and we are still absorbing the issues that that raised, and it’s a very different set of ambitions for a tertiary sector to not have an elite system but to have mass education” (i11).

These changes were seen by the interviewees to have resulted in universities of great size, diversity and complexity, thus bringing with them a broad range of new management challenges.

4.2.3 Question ii)

The second question asked of the interviewees was:

Can you rank these changes in order of their impact on management of universities?

The following table summarises the interviewees’ responses, indicating the order in which they ranked the changes they nominated in Question 1. Matters of funding and internationalisation featured strongly in the rankings.

| INTERVIEWEE RESPONSES INDICATING ISSUES IN RANKED ORDER |
|---------------------------------------------|-------------|----------------|---------------|
| 1st                                          | 2nd         | 3rd            | 4th           |
| Funding sources                              | Institutional size/complexity | Business culture       |
| Internationalisation                         | Funding sources |                |               |
| Funding sources                              | Internationalisation |                |               |
| Business culture                             |                |                |               |
| Funding sources                              | Internationalisation |                |               |
| Funding sources                              | Government regulation | Speed of change | Internationalisation |
| Globalisation                                | Student culture | Government regulation |               |
## INTERVIEWEE RESPONSES INDICATING ISSUES IN RANKED ORDER

<table>
<thead>
<tr>
<th>Issue</th>
<th>First Priority</th>
<th>Second Priority</th>
<th>Third Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional size/complexity</td>
<td>IT</td>
<td>Funding sources</td>
<td></td>
</tr>
<tr>
<td>Business culture</td>
<td>Funding sources</td>
<td>Globalisation</td>
<td></td>
</tr>
<tr>
<td>Institutional size/complexity</td>
<td>Internationalisation</td>
<td>Funding sources</td>
<td></td>
</tr>
<tr>
<td>Business culture</td>
<td>Competition</td>
<td>Public scrutiny</td>
<td>Institutional size/complexity</td>
</tr>
<tr>
<td>Funding sources</td>
<td>Government regulation</td>
<td>Internationalisation</td>
<td></td>
</tr>
<tr>
<td>Institutional size/complexity</td>
<td>Funding sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition</td>
<td>Internationalisation</td>
<td>Differentiation</td>
<td>Government regulation</td>
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<td>Staffing flexibility</td>
<td>Funding sources</td>
<td>Government regulation</td>
<td></td>
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<tr>
<td>Funding sources</td>
<td>Loans for private places</td>
<td>Globalisation</td>
<td>IT</td>
</tr>
</tbody>
</table>

### Table 8 Ranked challenges to university management

### 4.2.4 Question iii)

The third question posed asked:

*Are you aware of any emerging trends which will cause more change in universities in the future, and if so would you describe them?*

The interviewees identified a number of trends which are a continuation of the changes that can currently be observed in the higher education environment, and others which are new trends now emerging which, in the opinion of the interviewees, will develop into significant challenges. The issues identified were:

## EMERGING CHALLENGES IN HIGHER EDUCATION

- Increased globalisation
- More stratification, diversification including private universities which teach in specific, narrow fields, more inter-university competition
- Changing research framework
- Issues of institutional size
- Increasingly limited government funding
- Financial difficulties
Increased accountability

New government policy changes

An expansion of IT leading to new course delivery modes

Increased emphasis on business culture

Expanded customer service

| Table 9 | Emerging higher education challenges |

**Globalisation**

Issues of globalisation were noted by a significant number of the interviewees, generally indicating that in their opinions, the current trend towards a globalisation of higher education will continue and accelerate. The following selections from the interview transcripts note this issue; additional quotations from the interviewees on globalisation are included in Appendix A.

“…. significant in the future is really this whole concept of globalisation of education. What we do, the product that we’ve got, education and to some extent research, is by nature a global product; it’s just as applicable to Australian students as to British students as to US students as to Asian students; so in practice, that can and should be delivered anywhere which of course means that there’s ten thousand other universities around the world that can and should deliver it anywhere as well. So, I think that higher education is a classic example of an industry that should and will become totally borderless in the future. I think we’ve only just seen the first scratch of the surface of globalised universities, and I think that will be a significant change. How quickly, I don’t know, but I’m fairly confident it will occur” (i15).

“…. students are now affected by global rankings in research…. In Europe Australian universities have….. lost cred because they’re now seen as less strong in research than they were formerly believed to be, and that’s affecting their standing in teaching, and the willingness of international students from Europe to go to Australia” (i10).

Issues of research quality were seen as significant in conjunction with international rankings and competition, with choices that students are making about where they will study made in the global, not just in the domestic, context. It was noted that this issue affects not only international students coming to Australia to study, but also Australian students, who are now frequently choosing to move outside Australia for their higher education.
Stratification, diversification, competition
Several of the interviewees raised issues of increasing stratification, diversification and competition between universities, domestically as well as internationally. It was generally thought that, whether through changing regulations or the natural effect of operating in the private market place, universities will increasingly be required to differentiate themselves, in order to attract students.

“I think the split between research intensive and non-research intensive universities is going to get greater; …. that we’ll end up with more of a two-tier kind of a structure, where you will have big, old, rich, research intensive universities, which probably aren’t very good at teaching, and you’ll have really good teaching universities which have stopped wasting their money paying for bad research to be done” (i14).

“There is obviously going to be further development of private universities;…. there is an increasing diversification in higher education, ….with lots of places now being able to award degrees which aren’t universities in the traditional sense; …(they offer) degrees, but only in very narrow, particular areas” (i2).

“There’s very likely to be a change in the way in which university teaching occurs, so that, rather than develop curriculum and present a whole teaching package, it’s increasingly likely that institutions will source the best available curriculum, and will become simply deliverers of that curriculum. Or, they may even outsource the delivery of first year teaching, for example, to specialist teaching providers; and some of those trends are observable” (i9).

More complete quotations on this issue can be found in Appendix A.

Much of the differentiation of universities in the future was seen to relate to matters of research.

Research
A significant number of the interviewees discussed changes which will occur in research in universities; the introduction of the new Research Quality Framework and its impact on the way research will be funded in the future. Additional remarks on this issues are in Appendix A.
“...the important point is the way in which research is going to be the indicator that carves up the system more clearly .... once the RQF is in place, the groupings will be.... cemented by research performance, pure and simple .... that’s going to (cause) a return to academic culture in some ways; .... quantity drivers have been .... tremendously important .... in the last few years. The indicators will become more qualitative and that’s a big shift. (It) is not that the business functions will disappear .... but they won’t be sufficient. You won’t be able to pull yourself up by your bootstraps through your business acumen. You’ll really need the academic cred; .... that’s a new ballgame that’s now emerging” (i10).

“Well obviously the RQF is going to have an impact on universities, because it will alter perceptions of universities and I think, regrettably, it will ....advantage (a small group of) universities to the detriment of other(s) .... and give no incentive to .... newer universities, to actually reach a research intensivity, which they could do otherwise .... reputations will be made and unmade....., without differentiating and understanding that for some universities, the research profile that they have is an absolute triumph and in the case of some of the Go8, that their research profiles are in fact not planned and are the outcome of having had many, many years of letting a thousand flowers bloom” (i13).

Size, mergers
Several of the interviewees highlighted issues of changing size, and the potential for mergers, which would inevitably lead to huge universities, with accompanying management challenges.

“.... the debate that’s going on right now about whether (several universities) should merge and create a ‘super university’; you are going to take three institutions with three different cultures, .... and put them together and think that you are going to get something better! This is not just a merger between two organisations, where they love each other and they’re going to do it in the commercial sector, this is three different organisations who aren’t used to working in a competitive environment. I think it will be an absolute disaster, because who is going to manage it? My theory is that universities, once they get to a certain size, are almost unmanageable anyway” (i4).

There was an occasional comment made about the potential for some universities to choose to limit their size, for instance if they are more elite, research intensive universities, without problems of funding.

“Some of the bigger universities are going to decide to become smaller, like X is probably in the process; .... I think X probably will decide to get smaller” (i14).
Finance

Discussion with respect to financial issues centred on two main issues; the concern that government funding would continue to decrease, and an increasing potential for universities to find themselves in financial difficulty.

The currently decreasing funding from government sources was a trend thought by the interviewees to be likely to continue, resulting in an increasing need for universities to source funding through other means, such as more fees from students, but also from alumni and other philanthropic sources.

“There is no evidence that anybody is going to do anything much about funding universities” (i2).

“…. there will continue to be an increased squeeze on finances of universities; I can’t see governments giving universities any more money, so I think there will become significantly more private universities; I mean, so-called public universities are already sixty or seventy percent private universities” (i6).

“….in certain universities, my own included, there is an interest in developing strategies to reduce dependence on government funds” (i7).

There was concern amongst some of the interviewees for the potential for universities to find themselves in financial difficulty, as they increasingly are required to manage funding in the private market place, with the attendant unpredictability of sources of income.

“(Universities are) going to go broke; …. one day they’ll actually get to the stage where some of them simply run out of net assets …. there’s going to come a time when a few universities, some of the dodgier ones …. which are not doing …. well commercially….. will go bust and then they’ll either have to close or merge into existing universities….and I think that’s probably going to be one of the biggest shocks to the system over the next few years” (i14).

“University cultures aren’t about changing direction, and university managers aren’t about change of direction, because, if you change direction, “oh, that’s risky”. Doing nothing and not changing direction is just as risky, I think…. there is a fall out. There will be some organisations that can’t cope. We’re starting to see it –X’s in considerable strife, X, got themselves into some difficulty as well – there are couple of others who are struggling” (i4).
Government scrutiny
Several of the interviewees were of the opinion that government scrutiny of university activities is likely to increase into the future.

“It’s ironic that at a time when Commonwealth Government’s are massively reducing funding, and State Governments have never funded particularly strongly in recent years, there is very much increased regulation, in terms of having to meet all sorts of quality assurance and information provisions .... voluntary student unionism, AWAs, trying to reduce the unionisation of the universities; all that adds massively to the complexity of running them” (i6).

“.... the matter of increased external scrutiny of university performance, the real micro-management of university activities by government, is only going to increase; .... there’s no sign of it decreasing, that’s for sure” (i7).

Business culture
Of the interviewees who highlighted future trends in the business culture of universities, much of their comment centred on the need for an increased market awareness, and a more customer-centred approach to university management.

“Universities have got to get out of .... the model that “we are open when we want to be open”. They’ve got to get into the thinking of “we have to be open when the students, and therefore the customers, want us to be open” ..... Rather than “I want to teach you Ancient Civilisations, and I’ll teach it in the way that I’ve always taught it, and I’ll .... teach it between these hours, on these days during those months”..... the customer student may say “no, I would like it to be interactive, I would like it to be high-tech, I’d like to do a bit of it residential, I’d like to do some of it in a different country, I’d like to do a whole heap of different ways of doing it”.....You’ve got to be able to bundle it in ways that the consumers want to gobble it up” (i5).

“.... as the student population becomes more of a ‘user pays’ population.... institutions are already experiencing increased demand for quality and relevance and a customer friendly culture, which is forcing a change in attitude, because the competition for students is going to be fairly intense” (i9).

Electronic technology
Several of the interviewees highlighted the potential for the use of electronic technology to radically change the way universities function in the future. Whilst it was generally agreed that the face to face
method of delivering education would not disappear altogether, it was thought that the level of supplementary electronic interaction, both in teaching and for administrative purposes, would increase.

“....it’s inevitable that there will be more provision .... of higher education from outside the country. I think as education becomes more amenable to delivery by the web, and the .... web-based providers .... becom(e) more expert in delivering high quality education, and some are recognised as being sufficiently high quality for their degrees to have some value .... there will be a greater number of providers of degree based courses; .... many .... in a teaching only environment, and many .... in a work based environment” (i16).

“....the student life-cycle .... which is a longitudinal thing; where, from their being in grade eleven to graduating, then going off to the world of work, using some university help in terms of career, or writing a good CV, or how you handle your interview, or the university job website from the careers office; to becoming an alumni, to encouraging that student to come back as a post-grad, to bequest – you know, that whole student life-cycle thing I think will be electronic” (i12).

4.2.5 Theme 1 summary remarks

The interviewees spoke at length about the changing higher education environment; both the current situation and the likely trends to emerge in the future. This group of questions gave rise to some of the lengthiest responses during the interviews, with the respondents demonstrating wide-ranging views and an in-depth appreciation of the current changes emerging in the management of universities and their effects on university leadership, as might be expected.

Income sources, and the dramatic change in recent years from largely government funding of universities to a situation where they are required to source much of their own income was a key change identified by the interviewees. It was clear from the interviews that university leaders are currently preoccupied with issues that arise from government intervention of one sort or another, including increased regulation, reduced funding and the need therefore for other sources of income and increased market awareness. Issues of globalisation of education and the resultant competition between universities were also identified as significant areas of change affecting university leadership and management. The higher education environment was seen to be changing significantly with respect to international issues, through the influx of many international students into Australian universities in recent years, as well as an increasing trend for Australian students to look for opportunities to complete their tertiary education in other countries. The emergence of international campuses of Australian universities, and Australian campuses of overseas universities, was noted as a significant development, as well as the increasing interaction generally between Australian and international tertiary institutions. In addition, the introduction of an accepted international university ranking system was seen as an event which has had a marked impact on the management of Australian universities. Change to an
increasingly business-like culture in universities, and the impact this has on university leaders of predominantly academic background was discussed; the increase in size and complexity and competition between universities were also noted as issues causing significant changes in management, compared to the way universities have operated in the past.

Emerging trends in the higher education environment identified as potentially significant for the future included the continuing impact of privatisation of funding and the increasing internationalisation and globalisation of tertiary education. The interviewees predicted that there will be increasing stratification and diversification as universities attempt to differentiate themselves from each other to attract particular groups of students in the competitive tertiary education marketplace. This was aligned to concerns about funding and financial management, which were predicted to continue, as well as an ongoing emphasis on matters of research, and the changing Research Quality Framework.

4.3 Theme 2

4.3.1 Theme title

Theme 2 in the interviews was concerned with University Leadership Challenges, with five questions (numbers iv – viii) being posed on this subject.

4.3.2 Question iv)

Question four, the first of the questions on leadership challenges, asked the interviewees:

*In your experience, what are the most significant challenges to university leadership which have resulted from these changes in the higher education environment?*

The table below indicates the issues raised by each respondent.

<table>
<thead>
<tr>
<th>INTERVIEWEE RESPONSES ON MOST SIGNIFICANT LEADERSHIP CHALLENGES</th>
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### Table 10  Challenges to university leadership

Many of the responses noted issues relating to the development of professional management skills. A move towards the need for university leaders to develop professional and financial management skills was raised by more than half of the interviewees. One third commented on the challenges presented by fund raising, competition, branding and marketing, and one third raised the issue of the dual management environment in universities, requiring academic and business management, and the resultant challenges to present day university leaders. Skills in the management of people, including
communication skills, were seen as an ongoing challenge to leadership, as were the challenges of improving internal university systems. An increasing trend for selection of vice-chancellors from non-university backgrounds was also raised.

**Requirement for professional management skills**

Many of the interviewees commented on the demands on leadership of the management and business skills required to run large, complex organisations.

> “The whole thing I think has been geared up in terms of professionalism... the university used to be a very nice, easy place in comparison with the much more fraught atmosphere in the business sector... (Now) there is a much greater professionalism... you've got to have a whole lot of business skills that you used not to have to have” (i3).

> “It’s running a very large organisation with a significant budget... and having to manage commercial outcomes as well as manage to government accountabilities. ... It’s a relatively complex job, in my view, and they’re relatively big budgets; ours is well over six hundred million. Also, we are not just a university; we run onshore and offshore, we have a campus offshore, we have a number of companies (which) are totally controlled entities, and a whole number of associated entities, all of which we are having to deal with and manage” (i8).

> “There is a need for very effective ... strategic business planning ... Now, the changes are so rapid, and the responses (required) are so rapid ... that really you do have to look at placing the resources you have very strategically...” (i7).

The complete quotation from i7 is included in Appendix A.

Financial management was frequently raised by the interviewees as a challenge to university leadership, often in conjunction with issues of fund raising and competition, all of which were seen as important in the current environment where universities generate much of their own income.

> “There’s been a greater focus on managing finances and resources well ... the focus on financial expertise is a clear trend” (i9).

> “Clearly vice-chancellors need to be much better financial managers” (i6).
“What people have been doing is just expanding revenue sources …. to get them through a whole bunch of problems. …. Now we are reaching a ceiling of international enrolments, …. the numbers are enormous, you know. …. On a world scale, twenty-four percent of the student body, double that of any other OECD country, two hundred and twenty-eight thousand in the Australian context in 2004, out of a system of nine hundred and fifty thousand. …. I mean, there’s a limit; …. trying to manage the money when there’s less opportunity to grow your revenue base …. You know, that’s very, very difficult. …. (they) are going to have to make strategic decisions that involve chopping things now” (i10).

Marketing and brand management
Marketing skills and issues of brand management were raised, with the interviewees noting the awareness of these matters in relation to the generation of funds by tailoring the university ‘product’ to meet market demand. Additional quotations are included in Appendix A.

“There needs to be a brand, …. and there is far greater choice, and because they’re paying fees, students are far more discriminating in their purchasing. They ask their friends “what’s it like?” and the word gets ‘round if a university doesn’t provide; or if a university provides large low quality courses at high fees, that will get out” (i6).

“One of the trends that I’ve observed there is an increase in the number of appointments being made to what you could only describe as wealth creating positions; Marketing, Directors of Development, promotion; …. a clear trend. Not altogether surprising” (i9).

“It’s becoming much more entrepreneurial …. I don’t think universities are very good at doing that at the moment - but certainly the push is there to become much more entrepreneurial in the sense of finding the market and finding out how to service that market....” (i2).

Dual management systems
Several of the interviewees noted the dichotomy in the leadership of universities due to the existence of a traditional collegial management approach to academic leadership, concurrent with the trend towards professional management, and the challenge this presents to leaders.
“…. the governing bodies …. being expected to act more like boards, …. and (are) therefore often bringing a lot more …. commercial understandings to university governance; not in itself a bad thing. But, on the other hand, you’ve got the whole question of what I call traditional academic governance, the collegial system …. Now it is not a line management led, fast response system; and yet we’ve got one governance structure that’s driving fast response commercial outcomes, against (an) equally valid, equally important traditional governance system. I think that makes it a very tricky balance. …. No good vice-chancellor, who understands the roles of academic leadership, fails to understand those tensions, but managing them is – is interesting!” (i8).

“…. I think you really do need to separate academic leadership from business leadership …. the two are completely different…. and, to give you some context about universities in Australia, the average revenue for an Australian university in 2003 was $340million; the highest is at a billion, the lowest is, I think, $78million. If you took that as a line across corporate Australia in terms of the size of corporations, they would be in the top hundred! …. Collegiality is a fine thing, but sitting around trying to agree on a course of action with a committee of twenty people and inviting everybody’s input is no way to manage an organisation” (i4).

Additional and complete quotations on this issue can be found in Appendix A.

People management and creating an environment for people to succeed
Issues of management of people, and the ongoing need for good communication skills, were noted as perennial leadership challenges. Extended quotations on this issue can be found in Appendix A.

“Communication …. the biggest challenge of management and leadership in universities is to be able to communicate effectively with all the stakeholders; …. and particularly when you are in a time of relatively rapid change; …. being able to communicate why …. things are happening is a real challenge; and you might think that you’ve just got to tell people why. Well, you’ve got to tell them why numerous times, and in various different ways, it seems to me!” (i15).

“There’s this cultural leadership thing …. It’s especially important when the places are just so big that you can’t run them. (The leader) …. can’t run the (remote) campus …. he can only create an environment in which (that) campus …. is going to be run by somebody else in a way that is consistent with the way he wants (his organisation) to develop” (i14).
Internal management systems and government relationships
The interviewees’ responses raised the issues of university management in an increasingly commercial and fund raising environment, coupled with the increasing demands of government scrutiny, and the difficulty in managing the balance between the two.

“There is an ambiguity between universities as public institutions and private institutions in this sense: that because universities do receive some government funding (they) are scrutinised by the public. They often are in the news and …. people will expect them, as public institutions, to be open and transparent. On the other hand, they are also expected to behave in a way that is more commercial than what you would expect, really, in private enterprise. …. Universities have the challenge of …(grappling) with greater government control …. government driven differentiation, …. (and) greater government scrutiny” (i13).

Non-academic leaders selected from outside universities
A significant current concern in the leadership of universities is the identified desirability of non-university experience amongst leaders, particularly with respect to issues of business management, but the continuing belief that there is a need for leaders to have strong academic backgrounds, in order to be able to lead within the academic environment.

“(Previously) …. you could draw a leader from inside the ranks of the institution. The principal tasks were managing against a profile, and making choices at the margin about using the discretionary money you did have, and lobbying government; so you were much more likely, I suspect, to hire from within the sector. Now we’re asking people who run universities to know about capital markets, student flows, advertising, price ratios; a set of skills that - it’s not obvious how you acquire any of these inside a university. And increasingly we appear to be seeing …. a preference for vice-chancellors who have experience outside universities; perhaps even extensive experience, and in some cases recently we have seen some vice-chancellors appointed who have never previously worked in a university, or except as a PhD student, in a sense. So that trend away from internal appointments, where the principal attributes are an extensive working knowledge of the institution, towards one where you need to hire in skills that aren’t obtainable internally, seems to me the single biggest trend in the leadership that we’re getting” (i17).

An additional quotation from interviewee i5, on this issue, can be found in Appendix A.

Research quality framework (RQF)
Changes to the academic environment, and the Research Quality Framework, were seen as significant leadership challenges by some.
“There’s a lot of action, a lot of noise and anx… right now about the Research Quality Framework … It will actually give a measure of people’s research worth, which doesn’t exist now. All staff are very comfortable saying ‘I do quality research’ … and there’s no way really of measuring that (objectively). So, the RQF is actually going to confront a lot of people’s self perception of their research and hence their …. self worth; and as well as having a whole range of financial implications and market positioning implications for universities, it’s going to have a whole range of internal human resource issues as well. And bringing staff through that …. is going to be a challenge” (i15).

The ability to ‘read’ the environment, particularly the international environment, and the management of inter university relationships were also mentioned.

“Reading the environment …. In my experience, only some university leaders are very good at environmental scanning. It requires a certain amount of synthetic judgement, a kind of continuing capacity, and it also requires the building of new sources of information of the systemic kind …. Some people take to that very naturally …. others don’t …. but I think it’s a tremendous advantage to a leader to be able to do that now …. you really have to spend quite a lot of time thinking and writing and reading and being in touch” (i10).

Other issues raised as leadership challenges included managing inter-university relationships, the consistency of teaching quality, and limited terms for council members.

4.3.3 Question v)

This question asked the interviewees

Can you rank these challenges in order of their impact on you as a university leader?

All of the interviewees, without exception, highlighted issues of business management as presenting the biggest challenges to university leaders in the current environment. Financial management was mentioned most frequently, and issues concerning responding to market demands also arose. Balancing a number of professional skills was also highlighted.

Management – financial
In the changing higher education environment, where universities are becoming more business like and having to generate a lot of their own income, the challenges of financial management and related issues appear to be always at the forefront of the minds of university leaders, shown by the responses to this question.
“Well, normally if you speak to a group of university people about the current challenges .... they’ll always put finance and resources at the top of the list; very little disagreement about that” (i9).

“Financial management remains a problem .... we’ve just finished a search, for a CFO .... and we looked, and found, someone from outside the university sector, because we weren’t convinced that the quality of financial management currently in the university sector was good enough” (i6).

Additional quotations referring to this issue are noted in Appendix A.

**Management – market demands**

The new requirement of universities to manage market demands is closely aligned with issues of financial management, and the effect on the way universities are structured.

“... if you ask me what is the next challenge I can see, it’s what working in a market means for our employment relations” (i17).

“.... responding to the market appropriately with structures which are still not as responsive as they could be, .... understanding the market. .... the whole issue of changes in the nature of student expectations and student mix is another big challenge .... surveys over the last few years have shown that students are working .... They are all working. They all want flexible time. The universities are still .... structured as if students came to university, stayed all day on campus; and they don’t .... our responsiveness to the students and student mix is still not adequate” (i11).

**Management – balancing a combination of skills**

A number of the interviewees felt that it was impossible to differentiate one skill from another in terms of importance, and that the most important quality was to have a combination of relevant attributes.

“You can sort of list them separately and say, leadership and research and teaching, financial management, human resource management and so on; all good things to achieve; but I’d lump them all together and say getting that combination of skills is paramount” (i16).

“As far as prioritising them; heavens above, I think you neglect any of these major issues at your peril” (i6).
“How you find the resources to be accountable at the Federal level; and .... how do you deal with a large bureaucracy and at the same time a group of feral academics?” (i2).

An additional quotation as background to this issue is included in Appendix A, at the end of this document.

**Management – size, complexity, change**

A number of the interviewees expressed concern about the rapidly changing university environment, and particularly the increasing size and complexity of these organisations, and the management challenges which arise.

“Size and complexity. I think (is) probably, the biggest” (i14).

“.... in terms of leadership, it’s being able to manage change within the organisation. .... To lead, someone’s got to follow; and so being able to take people and an organisation through a time of rapid change is a significant challenge, a test for leadership ability .... And some of those others, they all sort of fall below that” (i15).

In addition to the management challenges described above, interviewees also raised the issues of competition and government driven diversification as significant and one raised an ageing staff profile.

4.3.4 Question vi)

Question six asked:

**Which challenges are most difficult to deal with?**

There was a variety of responses to this question, with the interviewees answering personally, on a range of different issues. A number of the respondents referred to issues of people management as being the most challenging. Several noted leadership characteristics including strategic thinking and the ability to develop a positive workplace culture. Some referred to the difficulties in pleasing diverse stakeholders, and others noted responding to government intervention as a major issue. Finance, issues of teaching quality and the application of IT systems to teaching were also mentioned.

**People management**

The respondents referred to a variety of people management skills as being the perennial issues which are most difficult for leaders to manage. Additional quotations on this issue can be found in Appendix A.
“I think, always, managing people; and often the most creative and contributory people are the most difficult and demanding; so just managing to get the best out of people, and getting them working constructively together, despite big egos and individual ambitions that may not always totally align with the institutional ambition …. I think that’s probably the biggest challenge” (i16).

“…. the rigidities that are built into the staffing mix make it harder to be responsive to students, and to meet market needs.” (i11).

“ …. the change management skills and dealing with the staffing consequences of rapid change have been, and continue to be the most difficult” (i7).

Additional quotations on this issue are listed in Appendix A.

**Cultural and strategic leadership**

Personal qualities of leadership, including creating a positive and productive culture in the workplace, the ability to envisage a different future for universities, and a natural strategic ability, were ranked by some as the most difficult challenges.

“…. I really would put the cultural leadership thing up there as the most difficult thing, because there are some that are really good at it, and they can probably get by without the rest…. (and) appoint people who are able to fill in their gaps. … Because of the monumental egos, they are not actually very good at doing what you have to do if you are going to be a good manager and survive; and that is, appoint people who can do things you can’t do and other things better than you can; but they are not generally very good at doing that” (i14).

*Probably the major …. challenge facing the (leaders of) public universities in Australia is changing the way (universities) think about what they do. …. (they) are going to have to think about how to … create a future for (themselves) in a circumstance where there’s uncertainty where this is going, where (they) aren’t the biggest player in the game and (they) are going to have to have a certain amount of nimbleness” (i2).*
“… management of a balance sheet (or) a resource problem is better understood generally than the capacity to make pro-active strategic decisions; which is much rarer in my experience, and yet that’s where you get into the cutting edge, and that’s where you make a difference. …. you know, if you really want to change the ballgame in your own favour, as an institutional leader now you’ve got to have a capacity for (being strategically) pro-active, …. differentiating yourself, creating a new market, all those kind of things” (i10).

Pleasing diverse stakeholders
The wide range of stakeholders involved in the decision making processes in universities was seen as a continuing challenge to university leadership, particularly in the increasingly commercial and business-like environment of tertiary education.

“…. certainly the biggest difference between the private sector and the university sector is the committee-based decision making culture. Universities have a massive number of stakeholders …. In the private sector, you can …. make a decision and just ask somebody to implement it. You still can’t do that in the university sector; because unless you get people supporting it …. things don’t happen” (i6).

Dealing with governments
In a range of ways, the constant and increasing intervention of government in the management of universities was seen as causing ongoing challenges for university leaders on a number of different fronts.

“One of the most difficult things I’ve found was the challenge to work with the political system. I think our name, and probably other universities’ as well, is bandied around in Cabinet discussions infinitely more than it used to be” (i3).

“One of the most difficult to deal with, I think, is having to be so reactive to government policy changes …. ” (i8).

A full quotation from i8, and an additional quotation on this issue, can be found in Appendix A.

Finance
Increasingly complex financial management, already mentioned by a number of the interviewees, was nominated as one of the most challenging management issues.
“Well, I’ve had to learn things about finance that I didn’t know, not just budgets, which anyone who runs a university gets to know about, but finance; how do you edge, how can you run counter cyclical investments, how can you try and control expenditure in order to have money in reserve that you can call down if there’s bad times arriving. The interesting question when bad times arrive is you’ve got to make a punt about how long they’ll be here for. Do you exhaust your reserves and then discover you’ve got many years of austerity in front of you, or do you get in quickly? Those are the sorts of questions, the ‘doomsday’ questions, that we all have to ask ourselves, and plan for, and understand where we’ve got to go; and that’s for me new territory” (i17).

4.3.5 Question vii)

This question asked:

*Can you give an example of what works for you in dealing with these challenges?*

A number of the interviewees had difficulty answering this question directly, but of those who did address the issues, three themes were apparent, in terms of personal strategies for dealing with leadership challenges:

- Surrounding oneself with ‘good’ people
- Communication and winning trust
- Clarity in communicating strategy to the organisation.

**Surrounding oneself with good people**

A strong theme that emerged in the responses was that a key to dealing with the challenges of leadership is to surround oneself with highly competent personnel.

“Well I was always trying to employ people who were cleverer than I am” (i14).

“Most of them seem to have in their immediate entourage a very good PA, and an executive assistant who’s a fairly high level thinker, who can help them order their business into what’s important and what’s not important. They need to have a very good working relationship with their council and with their chancellor these days, far more than was the case in the past. They need to have a very good network, particularly in government and in the corporate sector, and like most organisations, they need to be surrounded by a very effective management team” (i9).
“VCs have many senior staff. Most of them have two or three, (some) maybe ten, people working for them – speech writers, researchers, advisors they call them sometimes, as ministers would. Those kinds of people, they play a crucial role. …. I think a lot of good ones are …. very good at drawing regularly on systematic sources of advice” (i10).

Communication and winning trust
Communication skill, already noted as a critical leadership attribute, was nominated by several interviewees as one of the methods of dealing with the leadership issues that arise in universities.

“What (works) is a lot of communication, a lot of trying to …. paint a vision for the university which has hope in it; hope for students, hope for the region, hope for the university, hope for staff, and if they can see that they don’t have to hang on to the past, that there is a future that you can paint, even in a very complex environment, people are more willing to get on board and to move and to do things differently. …. I find I can …. get things to move …. if I paint the picture and get people on board with a little bit of passion, and little bit of hope and a little bit of excitement” (i11).

“I guess muddling through! Talking to people …. what works best for me is (sitting) down with a group of people who are important in the particular matter that’s being discussed, and outlining what the important issues are to be resolved and the outcomes we have to get to; and having a number of people who might have started from different viewpoints, and concentrating on process issues, thinking instead of where we are trying to get to …. it’s working towards desired outcomes through negotiation” (i16).

Additional quotations from the interviewees are listed in Appendix A.

Strategy
Clarity in communication of the strategic direction of the organisation was seen by some as an essential tool for successfully dealing with leadership challenges.

“The really important thing is to try …. to be really clear about strategy. …. I want staff to understand our university’s strategy …. so …. that, in the back of their head, they know “oh, we’re this type of university .....” And they’ve got almost a series of heuristics …. that forms, in a sense, a part of their background knowledge…. My view is that a lot of investment has to be done in …. building the plan, getting it, and reinforcing (it) over time, and making it incredibly simple, and clear, and deep in the identity of the organisation; so that, when you get hit with something else, you can talk about it clearly with staff, and it’s easier to say “oh yes …. well of course, we really need to respond to that this way, because that is the kind of organisation we are” (i8).
**Personal organisation strategies**

Some of the interviewees felt that the way to overcome leadership challenges was to have personal strategies for dealing with them, or not dealing with them.

“… you can’t get everything done ever, I think one of the things that I’ve found really helps, …. and it’s a bit more complex than prioritising, (is) just deciding what you can’t get done, and not bothering about it”  (i14).

### 4.3.6 Question viii)

Question eight raised the issue of future challenges:

**Can you identify future new challenges emerging for university leaders?**

Several of the interviewees observed that the challenges emerging in the future for university leaders will be a continuation of those which they currently face.

“Some of the ones that I’ve touched on before, in terms of globalisation, in terms of the technology changes, in terms of educational delivery, and the one of simply greater competition …. they’re the ones”  (i15).

Some individual themes which emerged were challenges in the future in areas of finance, management of government intervention, the need for leaders who can manage both the business and academic aspects of universities and issues of differentiation between universities. Management was mentioned as an issue generally, as well as human resource management, the difficulty in developing strong leadership teams, the likelihood of more women in management roles, structure of university councils and the potential for universities to close as a result of the current complex environment. Globalisation was also mentioned.

### Financial

Financial management issues, already noted as major considerations for university leadership, were identified as challenges which will continue, and probably escalate, due to the changing funding scenarios of universities, and the resultant complexity of their management.

“As far as I can see the major challenge really is in the revenue, because there’s no indication that government funding is going to increase, no matter what government is in power federally; and having a great dependence on fee-paying students makes one’s university …. very vulnerable to fluctuations in demand. ….” (i7).

“There is going to be another significant challenge which is relatively new, just emerging, which is how to keep the international student body going. My sense about that in Australia is that international students have never got value for the money that they’ve paid; ….
The degree of resourcing of universities is going to become so differentiated that some of
them are only going to be universities in name only. Managing ..... that kind of
circumstance where places like X and Y have in effect half as much resources per student
as A and B (will be a future challenge)” (i2).

“Universities ..... spend a lot of money on capital, and no new revenue really comes in as
a result of those investments .... The more you spend on the investment, the higher your
operating cost basically is .... it’s a huge dilemma. So, to not look at the place as a
business, and recognise that need to execute your strategies soundly, that’s a risk” (i4).

Complete and additional quotations on the issue of financial management in the future can be found in
Appendix A.

Government intervention
Government intervention was seen as one of the future challenges which would not only continue, but
would escalate, bringing with it ongoing challenges for university leaders in the management of their
changing environment.

“There will be more .... government driven diversification based on pre-considered
notions of what universities are .... In fact this .... will .... leave universities in a
snapshot position of where they are at a particular time, and will take away incentives
that are currently there for a university .... to go forward” (i13).

“Possibly the one that’s emerging .... is the discussion that’s going on between the State
and Federal Governments over who is going to be controlling what in the future, not only
for universities but also for vocational (institutions). .... ” (i11).

“Clearly the university sector needs to be persuasive in getting reasonable outcomes out
of the Commonwealth Government .... otherwise they’re just going to be continually
squeezed” (i6).

Full quotations on this issue are included in Appendix A.

Manager/academic leaders
As a result of the challenges perceived in the tertiary education environment, both now and in the
future, a number of the interviewees commented on the issue of university leaders with non-academic
backgrounds, and the impact the introduction of such personnel would have in these organisations.
“Increasingly, you are going to be finding people who are not from a purely university background running universities, and that’s going to be really difficult for the career university academic who’s heading on the vice-chancellor route, because they’re going to find people coming in, lateral entry people, mid-career; and they’re going to be better than them, because they’ve got wider skills. So I think one of the big challenges is to be able to manage a career where you don’t spend all of it in universities” (i14).

“There’s going to be a challenge between being …. the type of manager or leader that a university needs, someone that’s got some business acumen, hard pushing and hard driving, and prepared to accept accountability, not just responsibility, versus the type of leaders and managers that are prepared to work within a university. …. the challenge for a leader in a university … is the difference between the people they should get and the people that they can get and do get, because of the environment that they are required to …. operate within” (i5).

**Differentiation**

As universities are challenged to find new sources of funding, the increasing need for them to differentiate themselves from other institutions, and the resultant increase in competition between them, was noted as significant.

“The differentiation will continue …. I think there will be a greater degree… of (differentiation of) roles of universities, and the space that they are occupying; (there will be a) need for universities to decide what they want to do and what they want to be good at. The …. environment …. will become more deregulated; …. we’ve gone through a phase of ultra- regulation, and it has gone to absurdity, so I think the next phase will be saying well, maybe it’s more sensible, instead of giving money to universities and regulating how they spend every cent of it …. to give the money to the students and allow them to then pick and choose from a deregulated university environment. And …. for a campus based university to be attractive to students with a given amount of subsidy from the government, and higher fees that we’d need to support that, then the substance of what we offer would have to be better, and the marketing of that substance would have to be better also. …. So I suspect we will move to that much more competitive environment, with more differentiation” (i16).

**Management generally**

Problems of management of increasingly complex institutions were noted by a number of the interviewees, with issues of governance, the quality of staff performance and its management, development of leadership groups and the difficulty for some universities to continue to operate in the changing environment being mentioned.
“There are problems in governance; … (some) universities … have had appalling problems in governance, where the governing bodies have been at loggerheads with (their) vice-chancellors (who have) left in unhappy circumstances. They are not to be underestimated … they’re extraordinarily large, complex and difficult organisations to run, and that is why out of thirty eight-odd universities there are barely a handful you’d say are doing a good job” (i6).

“I think that there are going to be points at which these changes we’ve been talking about become so critical for some universities that they are essentially going to say they are closing …. I can certainly see a circumstance where that would happen” (i2).

A more comprehensive set of quotations form the interviewees on these issues is included in Appendix A, at the end of this document.

Globalisation and research ranking
The effects of the rest of the world on universities, both in terms of international rankings for research and globalisation of demand, were raised.

“Instead of just talking about research and giving lip service to improving research, really improving research outputs and outcomes is going to be crucial; and the other one is going to be getting deeper value from internationalisation; …. not just assuming that everyone is going to cop the standard Australian curriculum, and that you can conduct your conversations always in English.” (i10).

4.3.7 Theme 2 summary remarks
Theme 2 explored challenges to contemporary university leadership resulting from the changes in the higher education environment discussed in Theme 1. Key challenges identified by the interviewees were the continuing need for development of professional and financial management skills, and the need to develop the capabilities required to operate as the leader of an institution in a competitive marketplace, including the generation of income. Skills identified included fund raising, competition, branding, marketing and tailoring their university ‘product’ to meet market ‘demand’. Leading in the university dual management environment, where skills are required to manage with a collegial academic structure concurrently with a more centralised business management model, was seen as an increasingly significant challenge. People management, good communication skills, and the ability to create an appropriate workplace culture were seen as essential to achieve successful leadership in this sector. In addition, the need to be able to manage a university in an increasingly commercial situation, while at the same time responding to escalating demands of government scrutiny, was seen as an ongoing challenge into the future. A current trend for the selection of non-academic university leaders from outside the university community caused some concern amongst the interviewees, as although the
need for highly developed business management skills was appreciated, many of the respondents felt that it was also necessary for university leaders to have credible academic background to be successful in their roles. In addition the new Research Quality Framework was identified as raising challenges for future university leaders. Generally, the interviewees identified the increasing importance of the ability for university leaders to learn to balance a combination of skills in both business and academic management, particularly as Australian universities are increasing in size and complexity, bringing all the attendant complications that arise with the management of such large institutions.

Challenges identified as the most difficult for university leaders were those associated with the management of people, including a diversity of issues such as communicating to groups of different backgrounds, and the complexities of university tenure. The ability for a university leader to envisage a different future for a higher education institution, and the strategic thinking required to achieve this, was seen as a significant challenge, as well as the need to please a diverse group of stakeholders, including the need to respond to the increasing intervention of government in university affairs. Increasingly complex financial management was also noted. Solutions to these challenges included the development of the university executive leadership team, and the ability to ‘surround oneself with good people’. Outstanding communication skills were seen as essential to be successful in a university leadership role.

When asked about challenges emerging in the future for university leaders, many of the interviewees noted the need for financial management skills, as well as the ability to successfully manage government relationships. It was observed that there would be a continuing need to be able to manage in both the academic and business environments; also the ability to steer the differentiation of one’s institution in the competitive marketplace was seen as an issue that will continue to grow. Management of people, and the broader management issues associated with large complex institutions, were seen as challenges which would continue to present themselves to university leaders as the higher education environment evolves.

4.4 Theme 3

4.4.1 Theme title

Theme 3 in the interviews addressed issues of Professional Leadership attributes, with five questions (numbers ix – xiv) being posed on this subject.

4.4.2 Question ix)

Question nine asked the interviewees:

In your experience, what professional qualities are required to be a university leader? (For example, academic, technical or managerial skills.)

A number of the interviewees had difficulty separating professional from personal leadership attributes in responding to this question, and so both types of skills were noted. For the purpose of clarity, the
professional attributes discussed have been listed in this section, and the personal qualities raised have been added to the results in Theme 4.

**Combination of professional attributes**

Issues of professional attributes raised some very lengthy responses, with a number of the interviewees discussing the need for university leaders to have a combination of professional skills. Many of the interviewees noted that, of the set of professional attributes required, academic credibility was a significant component, in conjunction with a range of business management skills.

“… I suspect for some institutions, many institutions, perhaps all, it is still largely the case that the professional attribute that matters above all else is that you are a credible academic. If you’ve done the job, people see that you will understand what they are trying to do in research, teaching and service, and that you’d be sympathetic to what it takes to do those things well. But the trend we talked about earlier, where there is a shift towards a new set of skills that don’t come from within, will challenge that; whether it will overturn it is hard to say. I think the American experience again suggests that for the traditional comprehensive research institutions that doesn’t change, but for those that are in different parts of the market, or are attempting to break into new ground, often they will recruit people out of the business sector or other sectors, who don’t come out of the university culture.” (i17).

“Well I’ve got no formal management training as such. One of the great questions is do you actually need to be a successful academic? Probably the answer to that question is no, but it sure helps! …. You also need to (be able to) go between juggling finance, human resources, research issues, education issues. …. I’m not an accountant (but) I can read a balance sheet and know what looks right and what doesn’t look right….”(i15).

“You .... have to have had significant academic experience, in order to effectively lead academic leaders; .... Then .... you need the skills that you develop from a fair range of management experience. .... I think if you don’t have those things you can’t manage these jobs” (i8).

“It’s different in different phases in different universities .... Clearly, it’s important to combine those skills in the figurehead who is the vice-chancellor, with the managerial skills.....
more and more, I think experience outside the university sector is valued by universities. Councils are always saying "we would like to find somebody with a blend of private sector and university experience, or a blend of government and university experience". In the end those people, firstly, are hard to find, because there aren’t a lot of them. Secondly, if they’re any good, universities can’t afford them .... and thirdly, even if you could find them, very often the selection committee won’t appoint them, because even if the chancellor and some of the external members of the selection committee would like them, most members of the selection committee are still academics and they tend to look at the back of the CV, and see how many publications they’ve got” (i16).

“.... with vice-chancellors there’s been a trend in some places in the last few years to appoint people with very sophisticated business and management skills, who’ve been leaders of industry .... (but) for most university leadership positions which aren’t vice-principals, or the ones that are in the academic side of the university register, then at least some significant achievement in the academic area is a very useful thing ....
Managerial skills, or at least the capacity to develop them is necessary. I think it would be very difficult if you had no glimmer, no notion, of people management or change management” (i7).

“I think that there are some professional qualities .... around complex management, .... but at the end of the day, it’s how it comes together as a package, that means that you have a professional capability to deal with ambiguous situations, complex situations, and bring to bear the mix of technical, interpersonal and other skills that mean that you are not floored by that complexity and .... the ambiguity .... I would not list as a critical attribute a particular technical specialisation, nor would I say that in the university environment, being a top-notch academic is absolutely essential to being a good leader” (i11).

Whilst a number of quotations from the interviewees have been included here, there are more lengthy extracts included in Appendix A, as the subject of professional attributes is a key issue pertaining to this study.

University leaders as academics
A significant number of the interviewees mentioned the need for university leaders to have an academic record.
“First of all, to be vice-chancellor, you’ve got to be an academic; .... it’s the business of understanding universities .... the only way you can understand universities is to have actually worked in the place; have been the head of school, dean, understand how the place operates .... the leader has got to understand everything and has got to be an academic .... the other thing is they’ve got to be sympathetic to managerial skills .... in terms of importance, you’ve got to have both” (i12).

“Well, the selection committees that have a significant proportion .... of academics still want high quality academic credentials; and I think that will remain the same for a while; .... There’s still a view that you can’t be a successful vice-chancellor without the support and goodwill of the academic community, .... and so, despite the pressures to get more commercially oriented vice-chancellors to run these huge and complex businesses, I think the requirement for academic credibility will continue.” (i6).

“I think that at some level people need respect as an academic. .... Technical knowledge, .... whether you can do goal programming or whether you can add up a budget .... I don’t think is very important – by and large that is what you hire” (i2).

University leaders as managers
A significant number of the interviewees referred at length to professional management skills and an understanding of commercial realities as being key attributes required for running universities.

“You have to be on top of the business operation really, you have to be able to work within that frame if necessary .... Universities have got to blend the cultures; that’s one of their jobs .... I don’t think (an academic record is) essential for credibility .... Some of the best business people are extremely intellectually literate, and .... that’s helpful; .... to be good at business, but narrow culturally and intellectually, is a disaster. For a university that’s the wrong person .... The people you really want are the people who can .... put down in a lot of places and operate within them. That’s quite critical” (i10).

“(University leaders) have to have a good understanding of the commercial world...... I would probably rate that as the .... most important (professional) thing. ” (i5).

“Managerial skills in most leadership positions in the universities are quite poorly developed. .... People don’t by and large get much training in being managers as they go up the system.” (i2).
“Experience as a public servant is a really, really good background for running a university.... I don’t think you actually need to be an academic; but you need to really like, not just understand, what makes an academic environment tick. (You’ve) got to manage and create an environment in which (academics) can be successful and deliver a lot of very complex outcomes for a very wide range of generally fairly aggressive stakeholders.... the kind of professional qualities that you need and develop for senior public service apply to this” (i4).

“The skills that you need in a university leadership position are, at the highest level, skills that you need in any leadership position .... A university leader has to take with them academics from a range of different disciplines, general staff, who are working in quite disparate areas. .... it’s no different from any other organisation” (i13).

“.... you can pick up any of the 38 universities and look through the qualifications of people on the senior executive, and almost none of them have a business qualification. .... they all come from academic backgrounds. .... I think if you want to run an organisation as complex and as large as a university, then you do need to have a different skill set. It’s not to say that commerce needs to take over from the academic side of things; there’s got to be a strong balance.” (i4).

Once again, as these issues are critical to the research subject, and as the interviewees spoke at length on this subject, a number of lengthy extracts have been included in Appendix A to provide additional background on the subject of professional attributes for university leaders.

4.4.3 Question x)

Question ten asked if the interviewees could rank the professional skills required of university leaders:

Can you rank these qualities in order of importance for university leaders?

Several of the interviewees found this question difficult to answer, and some did not answer it at all. A number of them combined professional skills with personal qualities in their responses.

Of those who did discuss the ranking of professional skills, there were three who responded that high levels of academic skills and credibility, and sophisticated management skills, needed to be present in combination, neither of which was judged more important than the other. Academic credibility was seen as a ‘hurdle’ requirement for senior university leadership roles, but a high level of management expertise was also considered mandatory for such positions, particularly that of vice-chancellor.
“... to be vice-chancellor, you’ve got to be an academic ... the other thing is they’ve got to be sympathetic to managerial skills. ... They’re not ranked – they must have both” (i12).

Some respondents noted that the importance of one skill over another varied according to the present situation of the university concerned.

“... they come together as a combination. Some people may have more of one or more of another, and when you are choosing people, you choose them for the context” (i8).

“... in each instance it depends on where the organisation is at that point in time. There are times when you need charismatic, visionary, motivating people; there are times when you need someone who’s going to come in and slash and burn if they need to” (i4).

Of those who did propose ranking for the skills they had identified in the previous question, several rated academic skills and credibility highly, with management skills also considered important. ‘People skills’, staff selection skills and communication abilities, some of which could also be considered personal leadership qualities, were noted in several case. Strategic vision also was highly ranked by several of the interviewees.

Following is a table summarising the ranking of professional qualities by those respondents who were willing to rank the professional leadership attributes required:
<table>
<thead>
<tr>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
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<tr>
<td>Academic skills and credibility</td>
<td>Management skills</td>
<td>Staff selection skills</td>
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<td>Academic skills and credibility</td>
<td>Staff selection skills</td>
<td>Academic skills and credibility</td>
<td>Management skills</td>
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<tr>
<td>Communication</td>
<td>Academic skills and credibility</td>
<td>Management skills</td>
<td></td>
</tr>
<tr>
<td>People skills</td>
<td>Commercial knowledge</td>
<td>Academic skills and credibility</td>
<td></td>
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<tr>
<td>Strategic vision</td>
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<tr>
<td>Strategic vision</td>
<td>Management skills</td>
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<tr>
<td>Strategic vision</td>
<td>Physical stamina</td>
<td>Ability to delegate</td>
<td>People skills</td>
</tr>
<tr>
<td>Persuasive writing skills</td>
<td>Staff selection skills</td>
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</tr>
</tbody>
</table>

Table 11  Ranking of professional attributes

4.4.4 Question xi)

Question eleven asked the interviewees:

*In your experience, has a growing emphasis on business management in universities required you to develop additional professional skills, and if so can you describe them?*

Almost all of the interviewees agreed that as they moved into senior positions of university leadership, they were required to develop additional business management skills. The only exceptions were one respondent, of an academic background, who had an extensive knowledge in commerce and law; the other exceptions were two of the interviewees who had come from business backgrounds, and commented that they had had to acquire other skills to do with understanding university life, to add to their business management knowledge.

Following are some of the responses with respect to the acquisition of business management skills; more complete quotations from the interviewees are included in appendix A.:

“…. I went off and did an MBA. …. Nowadays, I probably get more out of the occasional conference where people are sharing the most exciting things that are happening in their areas ....” (i5).
“For the first time I experienced a different type of people; people who talked about management by objectives, which was the big thing at the time, so I got interested .... I've been to a few courses .... and .... every time .... I just come back .... knocked out by it – the common sense things that I'd learned in the hard knocks world .... (had) bags of theory behind (them) which was great! The Harvard course was one of the best things that ever happened to me in my life” (i12).

“ .... I .... went and did the Company Director's course .... I consciously did that to get a broadly commercial perspective .... The other one that I did some work on .... is fund raising.....I, like most people, do not like asking people for money, but I know that I have to understand more .... in that area” (i8).

“Yes, in no particular order, budget management, of a more complex order than would be the case if you were just handed a budget, like in a government department, and asked to manage it; .... industrial relations, because that certainty of industrial relations system that provided all the cues has gone; .... and marketing and branding, which universities are still uncomfortable talking about, but you can’t be in the market without being visible to it .... Fundraising, philanthropic work, relatively new territory for Australian universities....” (i17).

“....I've probably picked up quite a lot along the way. I have no formal business training, which alarms some people, but I do have people around me who have done a lot of formal business training .... I don’t think it means that I have to be fantastic at understanding the markets, and whether to invest or borrow, or get a third party investor. I have someone else going through all that and working it out; I carry the responsibility for it at the end of the day, but, it’s good advice from capable people who are committed to their jobs and the institution; it works well” (i16).

“Clearly everyone’s had to do that – the further you go up the line the more that is the case. But I think, though that it’s been one-sided in the sense that, it’s been like “forget everything else you know now have got to develop a generic manager’s business skills” .... there is this notion that you abandon your old perspective, your old understanding and I think that’s quite unhealthy. It seems to me what you want to achieve is .... to add a new perspective rather than necessarily subtract the old one” (i10).
“…. I’m a lawyer with a business background, so for me I don’t think that that was something that I needed to develop. …. You do need to have business acumen – it’s absolutely essential. I mean, these are multi-million dollar organisations ….”  (i13).

“….I’m the opposite of that. I’ve had to pick up skills that I never thought I would need, or I’ve never had to use before; and it’s the ability to teach people sometimes very basic principles. …. Some of the people who …. are running schools from three million to eight or nine million (have) had none of this training”  (i4).

“….I actually left the university, worked in the public sector for a period of years and (in) the private sector for five years ….  I had to deal with a lot of the realities of commercial life (which) have stood me in incredibly good stead in the university environment and makes me much more credible to council members, because the language is not foreign and I can work with more ease than if I’d come straight through an academic environment”  (i11).

4.4.5 Question xii)

Question twelve asked the interviewees:

_In your experience, are the professional attributes required to lead academic personnel different to those required to lead non-academic personnel, and if so can you give examples?_

A significant proportion of them responded in the affirmative, due to the significant differences they perceived in the nature of, and the career structures of these two groups of personnel.

“Yes. Academic staff do not take direction”  (i18).

“Yes, well, I do think so. I’m often asked about whether somebody who’s come from a commercial background rather than a higher education background could be a vice-chancellor? I always say “yes….. of course they could be a vice-chancellor”, but it would be dealing with academic staff that would be quite different for them. I think they’d find an Academic Board quite unusual; it is a very different sort of an organisation”  (i13).
“The general staff are in a hierarchy .... And in that sort of arrangement, it seems to me, there’s a clearer structure in who can tell who what to do, and who will respond to whom. With the academic staff .... in all aspects of dealing with them .... (I) have to ‘bring them along’, and .... ‘get them on board’, to incorporate the aims of the university into their teaching and research, and their own administrative practice .... I think that the difference between the hierarchical structure for the general staff and the collegial structure for the academic staff means that you need to treat them in different ways” (i7).

“....if I did not have an academic background, it would be much harder to be not just credible, but to understand it from their point of view. And, you can't always manage easily if you can’t see it from their point of view” (i11).

An equally significant number were strongly of the opposite opinion – that academics and non-academics should all be managed as people, the skills for which are consistent across both groups.

“.... they are only people; I don’t think there is a different set of skills that are needed to manage them” (i5).

“.... we have big organisations with lots of people, and provided you’re comparing big organisations with lots of people, I don’t see the management as any different. .... Whereas universities always spout this stuff about being collegial – they’re not! They’re political! They have this veneer of collegial stuff .... . I think most organisations, they pretend to be collegial but they’re actually political, and .... any experienced manager .... understands that business of which frame you’re in, how you operate it .... So, I don’t see it as any different” ( i12).

“.... getting all the people committed to the objectives of the university around education and research and making them feel that they are all part of the same team, and equally important ingredients in that team, is the most important thing to do, and therefore I would treat the academic staff and .... the administrative staff, in the same sort of way .... Because, I think, once you try and separate them, and say your job is to get the budget right, and your job is to get the education and research right – the two have to interact; you have to have the researchers understanding that they have to work within the constraints imposed by budgets and organisational structures, and you have to have the administrative staff working out that it’s .... an organisation that’s trying to deliver the best possible teaching and research within budget constraints” (i16).
Opinions were therefore quite evenly divided amongst the interviewees with respect to the need for university leaders to use different skills when leading academics, compared with those required to lead non-academic staff.

4.4.6 Question xiii)

This question asked the interviewees to reflect on the development of their own professional skills.

As a leader, which professional skills are the most difficult to develop?

Predictably, the responses were quite varied. A significant number of the interviewees highlighted skills which could be classified as professional or personal, particularly with respect to communication and people management attributes.

People skills
Several of those interviewed highlighted communication as one of the most difficult, and significant skills required for university leaders. A number of them also highlighted the difficulties of managing people in the current frequently changing higher education environment, particularly with respect to the increasing commercial emphasis now found in universities.

“Ability to communicate effectively with all different personality types …. Understanding my weaknesses and making sure that I selected people that had skills that counteracted what I’m hopeless at …. (were) the two greatest things that were challenges for me” (i5).

“….communication … I actually consider communication to be my strongest attribute, but, having said that, I keep going, how didn’t they get that?!?” (i15).

“Working with people in complex situations ….you can’t deal with complex management issues if you can’t deal with people” (i11)

“…. getting the academic staff to respond to the changing university environment that they’re now in, whether they want to be or not, is the most difficult” (i7).

“….the staff renewal through being fairly tough around sub-optimal performance, I think is the hardest thing” (i16).

Self management skills
A number of the interviewees referred to issues of managing themselves, and the frequent requirement to be patient and organised, in order to make progress.
“….the simple self-management ones, of prioritising and organising and stuff; because if you’ve worked long enough in an anarchic environment like a university, you end up like it yourself!” (i14).

“Patience” (i12).

“Managing frustration” (i4).

Fundraising and financial management skills
Issues of fundraising and financial management were raised by some of the respondents, with the former being noted as a new requirement of university leaders, and one with which they have limited previous experience.

“…. philanthropic work. In government, if you asked people for money you went to gaol. You just didn’t do it. And universities now have to .... fundraise, they have to have people in for lunches and dinners and try and persuade them to contribute. Nothing in my experience as an academic or a public servant, prepares me for that” (i17).

“…. fund raising .... I think to do that effectively .... requires a whole range of .... experiences that I’ve had rather less of, and I feel less confident about” (i8).

“.... financial management skill is an area that a lot of vice-chancellors find difficult” (i6).

Strategic management
Some issues of more strategic aspects of university management were raised, including appreciation of ‘the big picture’ and dealing with the ‘outside world.’

“I had to understand the big picture in a way I had never tried to understand it before” (i3).

“.... interaction with the outside world .... people who deal with universities say they find it very, very hard to understand the decision-making process within universities” (i9).

Questioning the assumption behind the question
One of the interviewees with experience in business and law questioned whether there was an incorrect assumption in the question, implying that university leaders had insufficient management skills and experience to take on their roles – which this interviewee rejected.
“… statements … are often made of late about the vice-chancellors … being academics rather than having management skills, and that there is this sort of dichotomy … Well, the reality is that some of us actually taught the leading managers of the moment, and nobody questions their management skills; and I don’t have any difficulty reading a set of accounts, and I don’t have any difficulty dealing with the myriad of aspects of a university environment. That doesn’t mean I think I’m expert at everything; on the contrary, of course not; but then, I don’t think the CEO of any organisation is; but I actually quite resent the idea that, because you’ve been an academic, that you’re not good at management, and that you’re not business like, how could you be?” (i13).

Whilst this question raised the issues of professional skills, a surprising aspect of the responses to this question was the large proportion of interviewees who spoke of issues of people and self management, which may be categorised as personal rather than professional attributes.

4.4.7 Question xiv)

This question asked:

**What has worked for you, to help you develop these skills?**

To improve their professional skills in the areas they find challenging, a number of the interviewees referred to self development, either through training programs or through wider reading. Some of them also referred to regimes of personal discipline, practice, and surrounding themselves with competent staff. Two of the respondents felt that once a leader reached the top level of management, there was less need for professional development activities.

**Training**

The interviewees referred to training in a number of different forms – from reading of specialist books, to participating in courses, for both professional and personal development.

“I’m reading a pile of books like this one, which is called Achieving Excellence in Fundraising” (i17).

“… actually to do those personal awareness programmes that gave me a consciousness of what I was incompetent at …. by getting the feedback from the people who were around me I was able to experiment on changing my behaviour to end up with a better result” (i5).

“… I did actually do some initial training …. but I suspect …. some of it’s going to be experience, and some of it’s going and worrying about it more and I will worry about it more as time goes on” (i8).
**Personal discipline and competent staff**

Heightened personal awareness and self-management techniques were noted in several instances as methods that the interviewees have adopted to improve their management of the leadership challenges they face.

“I am far more self-conscious than I ever used to be, about putting myself on the other side of the table, and saying not just what am I saying and what do I think about it, but how am I being heard and how do they feel about it” (i11).

“…. just actually taking the trouble to write the stuff down that you want to get through; …. writing it down I find to be really helpful” (i14).

“Just having to do it a few times; I’ve been hardened and calloused about it; …. what works for me, actually, is doing it in a really positive and instructive and supportive way, and giving soft landings …. and helping them to leave with a feeling that they’ve achieved a lot” (i16).

**No development sought**

A smaller number of the interviewees felt that once university leaders reached the vice-chancellor level, further training was either not necessary, or that it was too late for serious professional development.

“…. as far as what areas do vice-chancellors find that they have to lift their game, or get professional training in - I think once they’ve become vice-chancellor, it’s very much sink or swim for them” (i6).

“I don’t want to imply that I know everything at all, but …. I’ve taught Company Law, I’ve taught Trade Practices Law, I’ve taught Constitutional Law; you know, I feel that I have quite a good understanding of a range of the skills that you need in a management setting” (i13).

**4.4.8 Theme 3 summary remarks**

Theme 3 explored the issues of professional leadership attributes of university leaders, including the skills required to undertake such roles; which of these attributes if any, are more important; whether the interviewees have been required to develop new professional skills and how they did so; and whether the leadership of university personnel of differing backgrounds (academic and administrative) requires leaders to use different skill sets.
Many of the interviewees had difficulty separating professional and personal attributes, and both were mentioned in the responses. There were lengthy responses on the subject of the professional qualities required by senior university leaders, with a number of the respondents noting that these roles require a high level of academic credibility accompanied by a range of business management skills. A significant number of the interviewees felt that a credible academic record was a ‘hurdle’ requirement for the appointment of a senior university leader, and an equally significant number noted that a high level of professional management skills and an understanding of commercial and financial realities are fundamental to the running of universities. Many of the interviewees preferred not to rank such skills, with several respondents noting that high levels of both academic credibility and sophisticated business management skills need to be present in combination for a university leader to be successful, neither of which is more important than the other. It was also noted that the balance of these skills, and the importance of each, may vary according to the circumstances of the university concerned; in some instances financial management may be of the utmost importance, whereas in other situations the ability to have recognised academic status of the leaders will be at the forefront. People management skills and outstanding communication abilities were also noted, along with strategic vision, as essential for university leader to be successful in the present higher education environment.

Almost all of the interviewees noted that as they moved into senior university leadership roles, they were required to develop additional business management skills; exceptions to this were those who work in the senior administrative side of university management, with business career backgrounds, or those who had an academic background in the business field. A significant number of the respondents indicated that, in their opinions, different skills are required to lead those from the administrative or academic sectors of the university; however, an equally significant number was of the opposite opinion, indicating that their staff are all managed as ‘people’, the skills for which are consistent across both groups of personnel. Inter personal skills and the ability to communicate to a diverse range of people were highlighted as one of the most challenging skill sets required in senior university leadership roles, particularly with respect to the management of personnel in the changing, and increasingly commercial higher education environment. The interviewees discussed the management of themselves in their increasingly complex roles, their need to be highly organised, and the requirement for extreme patience in order to see progress. Fundraising and financial management skills were noted by some as highly challenging, with the former a relatively new area for universities to confront, and one in which most university personnel and leaders have little experience. Strategic vision and a consciousness of the world ‘outside’ universities were also mentioned as significant. The interviewees described different kinds of training, both personal and formal, that they had undertaken to develop their professional business management skills, and also noted that an essential aspect of success in their management roles is to surround themselves with competent staff. It was observed that once university leaders reach the level of vice-chancellor, their professional management skills need to be already highly developed, in order for them to be able to undertake these challenging roles.
4.5 Theme 4

4.5.1 Theme title

Theme 4 was concerned with **Personal Leadership Attributes**, with five questions (numbers xv – xix) being posed on this subject.

4.5.2 Question xv)

This question asked:

*In your experience, what personal qualities are required to be a university leader? (For example, honesty, charisma, communication skills etc.)*

Generally the interviewees were able to identify personal characteristics that they considered to be important for university leaders more easily than the identification of professional attributes discussed in the previous questions.

The following table summarise the number of times particular qualities were mentioned in the interviewees. Communication skills and honesty and integrity were the themes which appeared most often, with candour, good strategic judgement, consistency, trustworthiness and personal commitment being the second most referred to qualities.
<table>
<thead>
<tr>
<th>PERSONAL QUALITY</th>
<th>NUMBER OF TIMES MENTIONED</th>
</tr>
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<tbody>
<tr>
<td>Communication skills</td>
<td>11</td>
</tr>
<tr>
<td>Honesty and integrity, ethical, genuine</td>
<td>9</td>
</tr>
<tr>
<td>Open-ness, candour</td>
<td>5</td>
</tr>
<tr>
<td>Big picture view, natural strategy, good judgement</td>
<td>4</td>
</tr>
<tr>
<td>Consistency</td>
<td>4</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>3</td>
</tr>
<tr>
<td>Application, persistence, commitment</td>
<td>3</td>
</tr>
<tr>
<td>Clarity, decisiveness, hard decision making</td>
<td>2</td>
</tr>
<tr>
<td>People skills</td>
<td>2</td>
</tr>
<tr>
<td>Fairness</td>
<td>2</td>
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<td>Positive attitude</td>
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<td>Respected</td>
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<td>Persuasiveness</td>
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<tr>
<td>Changing skill set to suit the current need</td>
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</tr>
<tr>
<td>Ability to inspire others</td>
<td>1</td>
</tr>
<tr>
<td>Listening skills</td>
<td>1</td>
</tr>
<tr>
<td>Thick skin</td>
<td>1</td>
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<tr>
<td>Curiosity</td>
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<tr>
<td>Meeting skills</td>
<td>1</td>
</tr>
<tr>
<td>Competence</td>
<td>1</td>
</tr>
</tbody>
</table>

**Table 12  Personal attributes for university leaders**

**Communication**

Many of the interviewees mentioned the need for outstanding communication skills as being the significant personal attribute required for a university leader.
“Communication is critical; however hard you try you never get it completely right but you have to continue to try harder and harder to get it better and better, so that everyone understands where you are trying to go” (i16).

“…. communication’s very important, and for me that’s been in all forms, and all kinds of communication. There’s…. not simply as one kind of communication; but, you know, the ability to do 30 second grabs, the general one of giving speeches, of any length and talk to groups that know nothing and groups that know everything, now that range of communication skills is really necessary to be effective” (i10).

Additional quotes from the interviewees can be found in Appendix A at the end of this document.

**Honesty and integrity**

Honesty and integrity followed closely behind communication skills as a most significant attribute for a successful university leader. Interestingly, one of the interviewees noted that the ‘appearance’ of honesty was essential – that it had to be apparent that a leader had this attribute, as well as actually possessing it.

“Integrity. I think integrity is critical. I think genuineness is critical, and I think communication skills are critical. People can tell in two second flat if you’re not genuine, and I’ve come to respect integrity enormously; particularly people who have got it, and despise situations where I find myself wavering on …. a gray area and knowing that it is absolutely crucial that you stay on the right side of the line” (i11).

“Well I think people respect and recognise honesty, (it’s) a core attribute. You can’t pretend to be something you’re not, so I think honesty is fundamental; the demonstration and recognition …. of the values which you stand for, and being consistent in relation to those values” (i16).

**Open-ness, candour**

Open-ness and candour were closely associated with honesty and integrity – once again, the need of leader to be seen to possess these attributes was felt to be important.
“…. I know when I first came here I would go and do presentations to staff, and you were sure people were saying “well what does he really mean?” And I was able to say “well, what I really mean was what I damn well said!” And that “there’s no hidden agenda, and what I say is what I mean, and you get what you see”. And although you can’t share everything with the staff, I try and be as open and honest and straightforward as I possibly can; and I think that’s critically important” (i15).

“…. another quality is a willingness to be open about, and to tell people, if you’ve made a mistake, or if the institution’s made a mistake …. a willingness to be open about problems is important” (i13).

**Big picture strategic view, good judgement**

A further personal characteristic which was seen to be very significant in university leadership was the ability to understand the ‘big picture’, and to make intelligent strategic judgements. A number of the interviewees felt that leaders with vision were ‘born’ not made, and that much of a leader’s success depended on making the right decisions for the institution.

“The best leaders, …. are those who …. have a capacity for vision and strategy …. for me, strategy and vision are critical” (i11).

“…. people tend to be in my view mostly born strategic. It’s very hard to turn somebody into a strategist if they are not …. Universities tend to be terribly process-oriented organisations, so …. somebody who’s at the opposite end of that has got a start; somebody who is a natural strategist” (i6).

“Vision …. not everyone’s got it …. without it, you’ve just got someone who’s an operational manager. …. They’ve got to have a view of the future, they’ve got to have a capacity for looking at seemingly unconnected bits of information, and being able to see the relationship between that information…. It’s sort of a strategic creativity, and I haven’t met many people who’ve got it, but, I mean, you know when you’re talking to people who’ve got that to a high degree” (i9).

“…. the most important thing of all is good judgement – they’ve got to make the right decisions! How they take people with them is very important, but if they’re taking them in the wrong direction…” (i3).
“...Good judgement – would you say good judgement is a personal skill or is it a professional skill based on experience? .... The ability to deal with multiple stakeholders.... presence, ability to inspire, tact, good judgement, integrity. If you look at the great vice-chancellors, they will exhibit those. There are other people .... who were for a while very successful with other skills; you know, tough, hard nosed, directive, all the rest; but in the end a university will bring that sort of style undone” (i16).

“I really think having an eye on the big global academic game has been really important for me as a strategy .... it’s a sense of the major priorities again – by and large a world, a larger picture always” (i10).

Consistency
Consistency, as aspect of communication, was noted by several of the respondents as being critical to successful leadership.

“....a level of consistency is important, because, you are communicating all the time to a very broad group of people, so you need to be decisive and consistent in decision making” (i8).

“.... you just have to keep reinforcing the message in a consistent way so that people can understand your commitment .... I think it’s just old fashioned core values, and consistency, and things that would gain respect in any situation, for what’s required, as personal qualities of leadership” (i16).

“I’d say the consistency in what you say and how you say it helps .... there should be common values and common threads that work and are related to a common agenda” (i10).

Changing skill set to suit the current need
The need for a leader’s skill set to match the need of the institution at the time, and the ability of a leader to adapt that skill set to the changing needs of the organisation, was noted.
“I look around my colleagues in the AVCC, the Australian Vice Chancellors’ Committee, and I’d struggle to point to a consistent set of personal qualities …. There are examples of people who are honest, who are charismatic, and who have good communication skills, and there are examples of people who have none of those. I have always believed that the leader fits the institution, and not the other way around. When you’ve got a big public institution, it finds someone who matches its values, well or less well; and often when the organisation changes the leader becomes redundant and gets moved on; …. if you’re the leader …. you’re out in front, and in fact you’ve been selected because you approximate what the university believes at that given time it needs; one of the interesting tests of a leader is whether they understand that. Their position is a more humble one than they might expect! …. they need to keep changing, because, the things that make them valuable now will be liabilities in three years time. So I guess there isn’t a single list of qualities, and there is never going to be a single list. It’s do you have the particular attributes, the values, the style, the core competencies that the institution needs now; can you work out where your institution is going to go and make sure you are out in front of it, and can you acquire the new skills you are going to need as it changes. And if you can’t, they’ll move you on and find somebody else” (i17).

4.5.3 Question xvi)

This question asked the interviewees if they could rank the personal qualities noted in the previous question.

*Can you rank these qualities in order of importance for university leaders?*

There were mixed responses to this question, with several of the interviewees commenting that no one attribute was more important than another; that good personal skills for leadership come in a mixed package of qualities. Predictably after the results of the previous question, communication was highly ranked, with honesty and integrity also featuring repeatedly. Not all respondents gave direct answers to this question, but of those that did, the following table summarises the results:
<table>
<thead>
<tr>
<th>RANKED OR NOT RANKED</th>
<th>PERSONAL ATTRIBUTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranked</td>
<td>Integrity</td>
</tr>
<tr>
<td>Ranked</td>
<td>Interest in people</td>
</tr>
<tr>
<td>Ranked</td>
<td>Empathy</td>
</tr>
<tr>
<td>Ranked</td>
<td>Communication, strategic thinking</td>
</tr>
<tr>
<td>Ranked</td>
<td>Communication, interest in people, fairness, consistent values</td>
</tr>
<tr>
<td>Ranked</td>
<td>Integrity, genuine-ness, communication</td>
</tr>
<tr>
<td>Ranked</td>
<td>Listening skills, open-ness, positive attitude</td>
</tr>
<tr>
<td>Equal</td>
<td>Communication, trustworthiness, honesty</td>
</tr>
<tr>
<td>Equal</td>
<td>Communication, critical reflexivity and stamina</td>
</tr>
<tr>
<td>Equal</td>
<td>Honesty, communication, consistency, respect</td>
</tr>
<tr>
<td>Equal</td>
<td>Decisiveness, consistent, trustworthy</td>
</tr>
<tr>
<td>Equal</td>
<td>Honesty, integrity, commitment</td>
</tr>
</tbody>
</table>

Table 13  Ranking of personal attributes for university leaders

4.5.4 Question xvii)

Question seventeen referred to the leading of different groups of university personnel:

In your experience, are the personal attributes required to lead academic personnel different to those required to lead non-academic personnel, and if so can you give examples?

Almost all of the interviewees responded that a leader does not require different personal attributes in order to lead academic or non-academic personnel.

“.... no, I think the basic human characteristics are pretty much the same .... being consistent and being honest, being straightforward and being clear, being decisive – everybody likes that. The empathy thing .... getting around the other side of the table and being them for a while and seeing how it feels talking to you .... that’s really important. So no, not really that different” (i14).

There were two exceptions, where the respondents believed that leaders would draw on different personal skills.
“…. hierarchies, which is what our general staff structure is, are geared to work with a form of leadership that is clear and directive, and collegiate universities are geared to deal with a consultative style that accepts the ‘first amongst equals’ notion. You never perfectly fit either of those, and you probably never perfectly bridge them both as well; but it does seem to me that you need different sets of skills in hierarchies than you do in collegiates, and most of us have got more of one than the other” (i17).

4.5.5 Question xviii)

Question eighteen asked about personal skills.

As a leader, which personal skills are the most difficult to develop?

Issues of personal discipline were prominent in the responses of the interviewees to questions about development of personal skills. Such issues as patience, and regular communication were noted, as well as listening and managing frustration when dealing with others.

“I don’t have a problem in communication with going out and talking to a big group .... Ironically, working a room in a cocktail party is the thing I find most difficult. .... And you have got to do it .... I try to force myself to move on!” (i8).

“It’s difficult to always talk to people as much as you ought to .... broad communication is quite an expensive process, in terms of time. If you have the capacity to stand around and have a drink and quietly talk to people, that helps, although that’s not one of the things I do very easily” (i2).

“Patience. Not a hope .... (learn) the skill of patience? Over a long time, I guess” (i12).

“.... patience. You can be intellectually and conceptually strong, you can work out your strategic plans, as to how you want it to be, but that doesn’t mean it’s going to be that way any time soon” (i7).
“…. listening, particularly when …. you hear someone start to speak, and you know what they are going to say …. it’s terribly easy to short cut and get impatient and …. answer them before they’ve finished speaking; so listening is really important; and sounding convincingly as if you are hearing it for the first time …. because you have heard it all before and you do know what they are going to say, but you can’t be obvious” (i16) .

“Managing frustration …. there comes a time when I’ve explained this, I’ve been through this, I’m doing it consistently, I haven’t changed my point of view, and someone still won’t come along …. You have to develop mechanisms for trying to get things done in other ways. It’s not duplicitous or anything else, but if someone doesn’t want to hear, they won’t … there’s nothing making them do it, why would they bother?” (i4).

Time management was a further significant issue noted by several of the interviewees.

“The most difficult is time management; because there isn’t enough of it, even remotely” (i17).

4.5.6 Question xix)

The interviewees were then asked what they did to develop their personal capabilities.

What has worked for you, to help you develop these skills?

Personal training was one of the means by which the interviewees have developed their personal skills.

“The worst situation is being unconsciously incompetent, so you don’t even know what you’re not good at. So the first step for (me) was actually to do those personal awareness programmes that gave me a consciousness of what I was incompetent at …. ” (i5).

“Some people … have these personal qualities of self-reflection and awareness and good discipline to carry it out …. You know, they’ll do it, they’ll take a course and they’ll learn from the course. They’ll learn things they didn’t expect to learn” (i10).
“…. interpersonal skills are observably lacking in a lot of places. I don’t know how you can teach people humility, but it would be very handy for some of them to develop. Academics have a real fear of being exposed as being wrong, and yet, if you are going to manage, you’ve got to be prepared to admit that other people know better than you, but academics aren’t into that game …. I can certainly see some merit in seconding academics for brief periods of time into other situations where being an academic doesn’t count for much …. and, I think it would just balance their perspective” (i9).

“…. I do a lot of work in trying to coach people on better communication …. I think personal coaching is very good; demonstration again, and a lot of teamwork” (i11).

Observation of, and consultation with, others who have the skills was another technique used for personal development.

“I’m very fortunate because I was a deputy vice-chancellor and I was also president of the academic board …. and I had an opportunity to observe two truly great vice-chancellors …. and watching them helped me very much …. ” (i13).

“Where I learnt most was being amongst a set of professional managers. People whose lives have been managing varieties of institutions, not necessarily universities, but who, whenever anything would come up would be able to say “okay, a)…b)…c)…d)…”; having that set of professional people around is an eye-opening experience; so that’s the way I learnt how to do it” (i2).

Practice was a conscious means by which the interviewees developed their personal leadership skills.

“…. you need to juggle a large number of things at the one time, so being able to have a mind that enables you to switch from that to that quickly, or do this for a small amount of time, then put it aside and come back and do it at another point, is fairly important …. Now, I don’t know how you train yourself to do that, other than through having to do it …. I think you’ve got to have had the experience of getting it wrong as well, and I suppose the ability to trust your instincts. You can try and analyse things, (but) I think I’ve got a hundred percent track record of every time I’ve said “it doesn’t look right, it doesn’t feel right”, but for whatever reason … went ahead with it, it’s been the wrong decision!” (i15).

It was noted that there are some personal qualities that cannot be learnt or developed.
4.5.7 Theme 4 summary remarks

Theme 4 explored the subject of personal leadership attributes. The interviewees generally found the identification of personal qualities necessary for university leadership easier than the previous identification of a desirable professional skill set. Personal qualities highlighted included many of those typically discussed in generic leadership literature. Communication skills, honesty and integrity were most frequently mentioned, with candour, open-ness, trustworthiness, good judgement, consistency and personal commitment referred to secondarily. Several of the interviewees observed that no single attribute is more important than another, and that these skill sets come in ‘mixed packages’. It was also observed that different sets of personal qualities would be suited to different circumstances, according to the needs of the organisation at the time. The interviewees generally gave mixed responses when asked to rank these attributes, but predictably, of those that were ranked, communication, honesty and integrity again featured strongly.

Almost all of the respondents indicated that a university leader does not require different personal attributes to lead the variety of personnel in higher education institutions, in particular the academic and administrative personnel groups. There were two exceptions, who commented that the different organisational structures of these groups of staff require leaders to deal with them differently; however much of the difference was in the content and context of the information given, rather than the personal attributes used to deliver it.

The interviewees were quite revealing in their candour with respect to the personal skills they find most difficult to acquire, and the variety of methods they use to improve their weaknesses. Issues of personal discipline were noted in the responses, as well as patience, communication and managing frustration when dealing with others. Such issues were overcome by personal training, observation and consultation with other experts, and conscious practice; nonetheless, it was noted that some personal qualities are inherent, and cannot be acquired through professional development techniques.

4.6 Theme 5

4.6.1 Theme title

Theme 5 explored the subject of **Willing Cooperation**, with five questions (numbers xx – xxiv) discussed on this issue.

4.6.2 Question xx)

The first, question twenty, asked the interviewees:

*In your experience, what skills do leaders require to achieve willing cooperation from staff?*
Many of the attributes described in response to previous questions were again mentioned by the interviewees in response to question twenty. The most interesting observation with respect to the responses is that almost all the leadership characteristics described as necessary to gain willing cooperation of staff were personal attributes; only once in all the responses was academic credibility mentioned, with strategic planning capability also mentioned once. The remaining distribution of the responses can be seen in the table below, with communication, vision, and decisiveness being mentioned by several respondents.

<table>
<thead>
<tr>
<th>PERSONAL ATTRIBUTES</th>
<th>PROFESSIONAL ATTRIBUTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication skills</td>
<td>4</td>
</tr>
<tr>
<td>Vision</td>
<td>4</td>
</tr>
<tr>
<td>Decisiveness, clear goals</td>
<td>4</td>
</tr>
<tr>
<td>Honesty</td>
<td>3</td>
</tr>
<tr>
<td>Trust</td>
<td>3</td>
</tr>
<tr>
<td>Open-ness</td>
<td>3</td>
</tr>
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<td>People skills</td>
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<td>Integrity</td>
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<td>Genuineness</td>
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<td>Team building</td>
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<td>EQ</td>
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<tr>
<td>Willingness to share</td>
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<tr>
<td>Enthusiasm</td>
<td>1</td>
</tr>
<tr>
<td>Package of skills according to the institution at the time</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 14  Leadership skills for willing cooperation
“….it’s the personal ones. I don’t think I have to be a professional in everybody’s field in order to be able to effectively lead them” (i5).

“….you can’t get willing cooperation unless you communicate, unless you are seen to be genuine and open and unless you are willing yourself to have enough emotional intelligence …. not to let that communication and what comes back from it, threaten you” (i11).

“Clear goals; absolute clear goals …. you get cooperation from your staff with clear goals” (i13).

“Willing cooperation is the absolute key in the university sector. You can’t really do anything without willing cooperation. So what is it? It’s communication skills, credibility, with academics so that they realise that you do actually understand the implication for them of your decisions. It’s an inclusive and team based leadership style, it’s vision, so that they can see why the decision is necessary and how it will improve the outcomes for the university as a whole. It all in the end gets down to, I think, integrity and communication skills; and I think if somebody has those two things, they will get the changes they need” (i6).

4.6.3 Question xxi)

Question twenty-one asked again for a ranking of qualities:

Can you rank these qualities in order of importance for university leaders?

Generally the interviewees did not have strong opinions about ranking the leadership attributes required to achieve willing cooperation from staff. Of those who did indicate which qualities were most important, communication and consultation, and people skills in general, were highly ranked; trust and enthusiasm were also mentioned. Without exception, good personal skills were seen to be the most necessary attributes to achieve willing cooperation.

4.6.4 Question xxii)

Question twenty-two asked the interviewees:

In your experience as a university leader, do you find that you use different skills to achieve willing cooperation of academic and non-academic staff, and if so can you give examples?
The responses were evenly divided on the question of the skills used to achieve willing cooperation from university staff. A number of the interviewees quite firmly said ‘no’, they saw the staff as individual people, not academics or non–academics and more than one noted that it is only the context that varies.

“I don’t make that distinction …. I think it’s dealing with people. Certainly you use different techniques with different people, but that’s personality driven …. that’s not dependent on whether they’re academic staff or general staff” (i16).

“It’s the context. The process doesn’t change and the outcome - - whatever the purpose is, if it’s a common purpose to academic and general as the vision for the university is, then I expect that the main message to be common and the process to be similar. But it’s the context that makes sense to them, which I illustrate differently” (i11).

A number of the other interviewees, however, talked about their communication style with academics, and how it varies from the manner with which they communicate with general staff, as a result of the different management structures prevailing in the two areas, and the different view each group has of its work.

“The way that the general staff are organised as a hierarchy means that you can get together half a dozen senior leaders, and discuss what you’re doing, and agree a strategy, and they can implement it …. with the academics, you have to communicate through the written word; you have to find opportunities for visionary speeches, where they can hear the vision and interact with it” (i17).

“Yes, I do think there’s a difference between academic and non-academic staff …. academic staff see themselves as independent entities (and) you have to really explain the reality of the need to make courses relevant …. you shouldn’t, and normally wouldn’t have to do that with general staff” (i13).

4.6.5 Question xxiii) and question xxiv)

Questions twenty-three and twenty-four asked:

As a leader, which skills are the most difficult to develop, to gain the willing co-operation of your staff? and

What has worked for you, to help you develop these skills?

The responses to the questions about the most difficult skills required to gain willing cooperation from staff, and what the interviewees have done to develop those skills, were very mixed. Some of the
respondents felt that they had already answered these questions in their previous remarks; others responded indirectly, not clearly addressing the questions raised.

Of those who did respond directly, the remarks were quite varied, with a wide range of different skills noted. A number of the interviewees mentioned the skills, but did not remark on how they were developed.

**Personal management**

“….it depends on yourself and your own gaps” (i3).

“Consistency” (i14).

“Again I come back to this constraint of time. It’s not that they’re difficult skills; it’s just how do you get the time to do them properly?” (i17).

“Patience. You’ve got to be patient, and you’ve got to be prepared to go over and over things …. keep reminding yourself …. and plan out the process” (i8).

“…. patience. I think it comes back to the listening space perspective ….To be conscious of a need for it, to be careful before you speak not to cut people off” (i16).

“…. one area that people do find difficult is in the formulation of the problems; …. How did I gain the skills to do this? I spent a while developing and teaching a project management course …. I think project management courses ought to be required for all heads of departments” (i2).

**People management**

“…. building teams is quite a hard one …. over time, I have certainly learned to appreciate more how to communicate and how to help other people help me communicate better …. (You need to have) a sense of humour! I think that you’ve got to learn to give up a bit of control” (i11).

“…. it’s being able to read your audience” (i4).
“…. the most difficult thing is knowing how to implement change in this environment. …. I’ve drawn on advice from consultants, from firms outside the university and indeed from advice from people in (the) university …. to try and set in train those implementation strategies; but staff aren’t always willing, and so you just do the best you can” (i7).

“…. to create an atmosphere where people are willing to embrace the need for a market driven approach …. I’ve just had to explain it to them, and it comes as a bit of a shock to people …. (I deal with it by) …. setting clear goals” (i13).

“…. people who (don’t) have inter-cultural empathy or genuine empathy …. it’s very difficult for them to start. So, those kinds of blockages are really difficult to un-block” (i10).

Noticeably, the skills which were identified as the most difficult to achieve willing cooperation from staff are not generally those that could be classified as professional skills – they typically fall either into the category of personal management capabilities, or people management skills.

4.6.6 Theme 5 summary remarks

‘Willing Cooperation’ was the subject of Theme 5. When asked about the skills required by university leaders to achieve willing cooperation from their followers, many of the attributes noted in previous questions were again mentioned. Interestingly, most of the leadership characteristics described as necessary were personal qualities, with little mention of professional capabilities in this context; only once was academic credibility mentioned, with strategic capability also mentioned once. Of the personal qualities referred to, communication, vision and decisiveness were noted by several respondents. Generally the interviewees did not express strong opinions about the ranking of these attributes, but communication, people management skills, trust and enthusiasm were noted. The interviewees were divided with respect to the differences in leadership qualities required to achieve willing cooperation of academic and non-academic staff groups; however, the communication style was noted by some to be varied as a result of the different management structures (collegial and hierarchical) of academic and non-academic university personnel. Responses to questions about development of skills to elicit willing cooperation from followers were mixed and somewhat inconclusive, with some of the interviewees commenting that they had already dealt with this issue in previous discussion. The responses for this section were not as lengthy as many of the previous answers, as many of the attributes described in response to previous questions were again mentioned by the interviewees.
4.7 Theme 6

4.7.1 Theme title

Theme 6 provided an opportunity for concluding remarks from the interviewees, with only one general question (number xxv).

4.7.2 Question xxv)

This final question asked:

Can you make any further comment, from your personal experience, about the challenges faced by contemporary university leaders and the personal or professional qualities they need to competently manage these challenges, now and into the future?

The final remarks from the interviewees reflected the diversity of opinion on issues of leadership in contemporary Australian universities. Some of the respondents reflected on the personal qualities required of university leaders, others reflected on issues of management which will continue to present challenges for university leadership in the future. Training to acquire skills was also mentioned, some with positive views, others with negative opinions about its likely success.

“It’s the balancing of caution with a measured degree of risk taking, understanding the risks, mitigating the risks as far as possible and still being prepared to take them .... it’s a high stakes sort of game that you are talking about. How many millions of dollars ..... although when you become such a diverse organisation, there’s a lot of buffering going on as well; so not everything goes bad at the same time. Well, and that’s another issue that faces universities; to what extent to diversify activities; seeking short term commercial returns versus concentrating on core activities” (i16).

“….one of the big things at the academic level is to get top academics to get the skills and experience they need for governance .... but a lot of people wouldn’t want to be the Vice-Chancellor in a fit! They would want to be the top expert in whatever their field.... you’ve got different aspirations .... in a university that you don’t have in a business or a school or whatever” (i3).

Two of the interviewees summarised their remarks with comments on the positive rewards that they personally experience as university leaders.
“…. we haven’t mentioned issues like optimism, passion, excitement etc, and I think that a lot of good leadership means that a good leader will generate a sense of energy and that sense of energy gets a momentum of its own and that can only come if people get a sense of optimism, get a sense of hope. So I think there are some intangibles that run through all this that deliver a …. positive sense which has creativity and has energy in it, and possibly passion. And I think those intangibles don’t come out in all the words like ‘strategic’ and ‘complex management’” (ii11).

“There are huge rewards …. because it really is about a set of outcomes that make a difference …. we’ve talked about the challenges …. so, why would you do it? It’s about one of the most attractive leadership jobs in my view …. not because there aren’t all these challenges which are sometimes difficulties, but, working in the international environment is exciting. Thinking about educational futures is exciting and research futures. Being engaged with a large group of fundamentally educated and creative people is really exciting. Learning, students learning, is lots of fun …. Now, not all research makes a big difference, and not all education transforms people’s lives, but, all of those things are possible …. Around you are lots of people who are brighter, and faster and smarter, and in the end will make more contribution to the world than you ever made, so your job is to make sure that happens, and …. that means you’ve got to really work hard” (i8).

One final observation summarises some of the issues facing universities as they balance the need for new management qualities in their leaders against the traditionally respected attributes of academia, and the need for universities to develop leaders who have broader experience than has previously been the case.
“... from fifty years ago to today, these are now CEO positions, earlier they weren’t; so they are less grounded in the institution and less concerned about scholarship, and more concerned about the range of skills of CEOs, more concerned to get someone who is half credible in the external world; and that’s just a corollary of the external changes. You only get those attributes because you decide you need them; because they are somehow inherently more desirable than what you had, the world of ‘gentlemen’ running universities which is what it was, a pleasant gentle world (and most of us would quite like to keep the old ways!); so we’ve had to choose these different sorts of people. So part of the responsibility I think we have now as university leaders is to make sure that the next generation of potential leaders gets experience outside the institution; it’s hard to arrange, but we need to actually make sure that people have worked elsewhere, have travelled more ... have spent time thinking about management questions and doing courses, management qualifications in the ways that once we would have laughed at and thought inappropriate; we have to groom people to be candidates, and we in turn have to look for different sorts of attributes in the people we know” (i17).

4.8 Results summary

The results of the interviews add a richness of detail to the understanding of the experiences of university leaders in the current higher education climate. Many of the findings of the literature review are reinforced, but the interview transcripts have provided a wealth of additional information, through first hand accounts from experts in this field.

One of the most significant changes identified in the contemporary higher education environment was the major shift in the funding base of universities, from largely government sources to a heavy reliance on private forms of income. This change, coupled with greatly increased scrutiny and intervention by government in the management and day to day functions of universities has added to the management complexity of these institutions. In addition, a markedly changing profile of the higher education sector with respect to international issues, including the influx of international students, development of universities with campuses in different countries, increased interaction between universities around the world and international research rankings have also had a dramatic effect on the management of these organisations. This has in turn led to increased competition between universities as they move to differentiate themselves from other institutions, in an increasingly competitive higher education ‘marketplace’. A business-like corporate culture has developed in universities, alongside the more collegial style that characterises academic management. Emerging challenges were identified as further and increasingly complex issues of globalisation of the higher education sector, the changing research framework, changes in institutional size and complexity and continuing issues of funding and financial management.
Challenges presented by the new financial environment for universities, the rise in government and public scrutiny, the resultant need for more professional management practices, globalisation of the sector and an increase in competition and diversity have all emerged as key issues in contemporary higher education. These developments have in turn impacted on university leaders, requiring them to display wide ranging personal and professional capabilities, to deal with both the academic and business management demands of their roles. Significant challenges to university leadership that have emerged as a result of the changing higher education sector include a requirement for outstanding professional management and business leadership skills, in conjunction with credible academic leadership capabilities. This was noted as one of the most significant shifts in the profiles of university leadership roles in recent years. People management, strategic leadership, managing the interface with government and financial management were identified as the most difficult of these demands, requiring outstanding communication and interpersonal skills of the leaders, frequently in conjunction with the establishment of a highly capable executive leadership team. These challenges were seen as likely to continue into the future, with an increasing emphasis on management of the impacts of globalisation, financial issues and business management generally. The interviewees observed that the requirement for strong capabilities in both academic and business leadership would continue for those undertaking most university leadership roles.

The interview questions gave rise to discussion about specific professional and personal attributes required of contemporary university leaders, shedding new light on their roles in the increasingly businesslike higher education sector, and exploring the need for them to display both professional business management and academic skills, in addition to the personal qualities identified in the literature as typical of most successful leaders. There was no doubt from the interview transcripts that the university leaders of today are required to use these skills on a daily basis to deal with the demanding challenges of their roles in these complex institutions. Whilst there was no attempt to confirm or deny the model proposed by the literature (Mastrangelo, Eddy and Lorenzet, 2004) the model did assist in the generation of discussion relevant to the research, particularly in the context of leadership of academic and non-academic personnel. Some of the interviews took the opportunity at the end of their interviews to comment on some of the highly rewarding aspects of working in higher education leadership, which in their opinions more than counteracted the challenges and problems that arise in day to day university management.

The results of the interviews are briefly summarised in the following table.
<table>
<thead>
<tr>
<th>THEME 1</th>
<th>CHANGING HIGHER EDUCATION ENVIRONMENT</th>
</tr>
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</table>
| **Significant changes** | - Decline in government funding  
- Government intervention  
- Internationalisation and globalisation  
- Increased business management  
- Increased competition  
- Increased size and complexity  
- Emphasis on differentiation |
| **Highest impacting changes** | - Changed fund sources  
- Business culture  
- Internationalisation  
- Size and complexity |
| **Emerging challenges** | - Globalisation  
- Changing research framework  
- Institutional size  
- Decreasing government funding  
- Finance  
- Accountability and government policy change  
- IT expansion |

<table>
<thead>
<tr>
<th>THEME 2</th>
<th>UNIVERSITY LEADERSHIP CHALLENGES</th>
</tr>
</thead>
</table>
| **Significant challenges** | - Professional management  
- Combination of academic and business leadership  
- Bureaucracy and internal systems  
- Non-academic leaders  
- Fundraising, competition, branding, marketing  
- People management  
- Research Quality Framework |
| Ranking of impact of leadership challenges | Business management mentioned by all respondents – most highly ranked |
| | Financial management |
| | Responding to market demands |
| | Balancing combination of skills |
| Most difficult challenges to deal with | People management |
| | Cultural and strategic leadership |
| | Responding to government intervention |
| | Finance |
| Dealing with difficult challenges | Surround oneself with good people |
| | Communication and winning trust |
| | Strategy |
| | Personal organisation |
| New leadership challenges | Continuation of existing challenges |
| | Globalisation |
| | Finance |
| | Government intervention |
| | Academic/business manager leadership |
| | Differentiation |
| | Management generally |

**THEME 3**

**PROFESSIONAL LEADERSHIP ATTRIBUTES**

**Professional qualities required to be university leaders**

- Respondents had difficulty in separating personal and professional attributes
- Combination of academic and business management skills
- Academic credibility
- Professional and commercial management skills

**Ranking of professional qualities**

- Respondents had difficulty answering
- Academic and business skills seen as necessary in combination
| Development of new skills in business management | Generally all leaders had to develop new skills due to increased business culture in universities, other than small number of exceptions from business backgrounds |
| Different skills required for leadership of different staff | Responses evenly divided between yes and no |
| Most difficult skills to develop | Variety of responses |
| | People skills |
| | Self management |
| | Fundraising and financial management |
| | Strategic management |
| What works to develop skills | Training |
| | Personal discipline |
| | Competent staff |
| | Some noted no development sought |

<p>| THEME 4 | PERSONAL LEADERSHIP ATTRIBUTES |
| Personal qualities required to be university leaders | Communication |
| | Honesty and integrity |
| | Candour |
| | Strategy |
| | Consistency |
| | Trustworthiness |
| | Commitment |
| | Changing skill set to meet the current need |
| Ranking of personal qualities | Mixed responses |</p>
<table>
<thead>
<tr>
<th><strong>Different skills required for leadership of different staff</strong></th>
<th>Communication most noted</th>
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</thead>
<tbody>
<tr>
<td><strong>Most difficult skills to develop</strong></td>
<td>Almost all respondents said no</td>
</tr>
<tr>
<td><strong>What works to develop skills</strong></td>
<td>Personal discipline most noted</td>
</tr>
<tr>
<td></td>
<td>Personal training</td>
</tr>
<tr>
<td></td>
<td>Observation of others</td>
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<td></td>
<td>Practice</td>
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**THEME 5**

<table>
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<tr>
<th><strong>WILLING COOPERATION</strong></th>
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<tr>
<td><strong>Qualities required to gain willing cooperation</strong></td>
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<tr>
<td>- Nearly all personal attributes</td>
</tr>
<tr>
<td>- Communication</td>
</tr>
<tr>
<td>- Vision</td>
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<tr>
<td>- Clarity</td>
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<tr>
<td>- Honesty</td>
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<td>- Trust</td>
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<td>- Open-ness</td>
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<tr>
<td>- People skills</td>
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<tr>
<td>- Communication and people skills most highly ranked</td>
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<tr>
<td><strong>Different skills required for willing cooperation of different groups</strong></td>
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<tr>
<td>Evenly divided responses, yes and no</td>
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<tr>
<td><strong>Most difficult skills to develop</strong></td>
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<tr>
<td>Mixed responses</td>
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<tr>
<td>Personal and people management noted</td>
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**THEME 6**

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<tr>
<th><strong>GENERAL CONCLUDING REMARKS</strong></th>
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<tr>
<td>Diverse range of comments on challenges</td>
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<tr>
<td>Some positive comments on rewards</td>
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**Table 15  Summary of results**

In Chapter 5, ‘Analysis’, the results are analysed in greater depth. A second application of theory, this time to assist in the analysis of the data to a deeper level than in Chapter 4, is presented to add a more
perspicacious view than simply summarising the issues facing university leaders. Dilemma reconciliation theory (Trompenaars and Hampden Turner, 2002) is used to underpin this analysis in Chapter 5. Chapter 5 establishes and explores the need for university leaders to have the capacity to resolve a significant number of dilemmas – an unexpected recognition that this is an ongoing challenge in the contemporary higher education leadership environment.
Chapter 5
Analysis

An analysis of the results of the interviews

5 Analysis
5.1 Analysis introduction

Whereas Chapter 4 identified embedded themes in the data by grouping the content of the responses, the purpose of Chapter 5 is to present a deeper investigation and analysis of the results of the interviews. This deepening will occur in two ways; firstly by examining the data through the lens of a perspicacious conceptual frame, and secondly by comparing the results with central topics identified in the literature review.

This approach taken to the analysis of the research results resonates with the Realist research paradigm, in that it is using theory to assist in explaining observations from the social world, in this instance the social world of higher education organisations. Realism introduces a research approach that accepts that the social world can be understood from the perspectives of its members by gaining access to their views, but also emphasis the value in the use of theoretical frameworks to explain such observations. (Stiles, 2003, p.265) Such frameworks assist in the identification of social mechanisms in the world being researched that influence the actions of the individuals therein, and can be seen therefore as offering a bridge between “ideas and reality”. (Symons, 1994)

It can be observed on reading the results in Chapter 4 that the changing higher education environment has presented its leaders with a series of challenges which leave them facing a number of significant dilemmas. In order to explore the results in greater depth, as foreshadowed in the literature review in Chapter 3, the theories of Trompenaars and Hampden-Turner, writing on the subject of dilemma resolution for business leaders (1993, 2000, 2002, 2004) are used in this chapter as a tool to assist in analysis of the results, and to explore the dilemmas facing university leaders. The use of this theoretical approach to provide a lens through which to analyse and make sense of the research results is typical of the Realist research paradigm. In this instance it has been used to attain a far deeper understanding of the issues facing university leaders than would have been the case using a simpler thematic approach to grouping and analysis of the research results. Use of the Realist paradigm has been an appropriate approach to gain deeper insights into the ‘real’ organisational world of university
leaders, and the dilemmas they attempt to reconcile on a daily basis in their roles in these complex organisations.

Trompenaars and Hampden-Turner (2002) discuss dilemmas in terms of the balancing of objectives which would appear to be irreconcilable. They propose that “….effective leaders deal with the dilemmas of seemingly opposed objectives that they continually seek to reconcile” (p.ix). Trompenaars and Hampden-Turner propose a method for the analysis and resolution of dilemmas, illustrating their proposal with diagrams of circular, axial and then helical forms, to assist in understanding the possible reconciliation of issues by the finding of common ground (pp.5-9). This diagrammatic approach can be adapted to the university management dilemma, as illustrated below, where university leaders are continually moving between the polarities of the demands on their institutions to behave commercially, generating large proportions of their income from private sources, and yet being required to continue to respond to the increasing government and public scrutiny that typifies the current higher education environment.

Using the Trompenaars Hampden-Turner framework, the results of the research are reviewed in this chapter, and a series of dilemmas confronting university leaders is identified. Attempts being made by the interviewees to reconcile these dilemmas are also extracted from the results of the interviews, and in the conclusion in Chapter 6 some further possibilities are proposed, using concepts from the Trompenaars Hampden-Turner text, as means by which the dilemmas may be progressed towards resolution.

In section 5.2 the dilemmas are described, and elaborated by extracts from the interviews. As the interviewees responded to the interview questions on changes in the higher education environment and the leadership skills required to deal with the subsequent challenges, they also occasionally referred to steps they have taken towards reconciliation of the dilemmas they confront. After the summary of each dilemma, excerpts from the interviewees’ responses have been included to illustrate the situation in universities at the current time, and to identify steps that are being taken by the interviewees to deal with these challenges.

5.2 The Dilemmas

5.2.1 General

In the following discussion eleven significant polarised issues which arose as repeating themes in the interviews are identified. As noted in the literature review in Chapter 3, and reinforced in the responses of the interviewees in Chapter 4, a key change in the higher education environment in recent years has been the move from full government funding of universities to a large, and increasing proportion of private funding, concurrent with a reducing amount of government contribution. This in turn has necessitated a change in university management, toward a more business based model, rather than the previous academic, collegial management model. This significant change can be seen to underpin many of the dilemmas which face contemporary university leaders.
5.2.2 Funding Base

<table>
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<tr>
<th>Fully government funded organisation</th>
<th>VS</th>
<th>Largely privatised organisation</th>
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One of the major themes which can be seen repeatedly in the results is the enormous impact on universities of their changing funding base. In the past universities were fully funded by government, with their main financial management tasks being distribution of the incoming funding to meet the needs of the range of programs being provided by the institution. In recent years, the level of government funding has been reduced in most cases to less than fifty percent, and is still diminishing, leaving an increasing proportion of income to be attracted from private sources. This has meant that universities have been forced to operate more like businesses in a competitive market place, with subsequent issues of supply and demand to be dealt with, as well as the unpredictability of fund sources from year to year. The dilemma facing university leaders is that their organisations have ‘dual identities’, being publicly and privately funded, which brings a collection of attendant management and leadership challenges. Many of the subsequent dilemmas listed below emerge as further ramifications of this key issue. The significance of this dilemma to university management and leadership can be clearly understood through the following extracts from the interviews:

“The single most important change for the public sector has been the steady, remorseless decline in Commonwealth funding, which has gone from around 90% of the sector to around 45% .... For some institutions, including this one, it’s now down at 23%. So, running a public institution where 90% of your income is guaranteed is a completely different proposition from running one where 23% of your income is guaranteed and this is the transformation of the system. This is privatisation from within. Essentially we are having to behave like private institutions, we are being treated like private institutions, in the sense that we are not getting the sort of money we used to get, and we find ourselves caught; ... And so, the single biggest change is watching a series of institutions struggle with this dilemma .... It’s the reason, for example, you’ve had the rise of the more full time professional management in universities .... The collegial models are undermined by this, along with all our traditional understandings of how a university behaves” (i17).
“The level of scrutiny that has applied in recent years to ventures by (universities) is quite extraordinary …. they’re public institutions in the sense that they are ‘owned by’ the public through the State, but they’re commercial institutions on the other hand …. there’s no encouragement to be entrepreneurial …. In fact, there’s a nervousness about it …. which means that you have to very careful” (i1).

Additional quotations on this issue can be found in Appendix B at the end of this document.

**Dilemma resolution**

It appears from the interviews that a significant amount of attention is being given to resolution of this dilemma by university leaders. This has principally been through a strong focus on financial management, and efforts to develop the means by which new funding sources can be attracted. From the interview transcripts, it can be seen that university leaders are working to resolve this issue by venturing into a range of more corporate style activities than has traditionally been the case, but with varying degrees of success. A rise in the number of fee-paying international and domestic students, the development of university subsidiary companies to generate income and the offering of a range of professional research, training and development consultancy services were noted as various means by which universities are dealing with this situation, where private income has become essential rather than supplementary to the institution’s successful performance.

“…. the …. requirement for universities to earn revenue from sources other than government …. in the early stages …. was simply by research consulting activity, which was designed to boost your research performance as well as raise revenue. It’s increasingly these days through recruitment of fee paying students, both domestics and internationally recruited, and it’s through provision of educational services of a broader range …. (such as) training and development services, to corporations and to professional associations. And the revenue that comes from these activities is no longer just useful supplementary income. It’s critical to the financial performance of the organisation” (i1).

An additional quotation on this issue is included in Appendix B.

Some of the interviewees indicated that they had engaged in personal development activities, to improve their abilities to deal with the ramifications of the reduction in government funding and the need for their organisations to be managed as private enterprises.

“Universities today aren’t as simple as being able to balance the income and the expenditure; you need to understand how money is invested; most universities are involved in fairly complex financing schemes today …. I have actually worked personally myself to try and develop my skills to the maximum” (i15).
“…. I actually left the university, worked in the public sector for a period of years and then in fact went into the private sector for five years, and it was in the private sector that I decided that I needed additional skills, so I went off and did a unit in commercial law and I got a certain amount of experience in accounting and financial practice…. the five years in a commercial environment …. where I had to deal with a lot of the realities of commercial life have stood me in incredibly good stead in the university environment and makes me much more credible” (i11).

The interviewees indicated that one further means by which their organisations have attempted to address this dilemma is the trend towards the engagement of professional personnel of non-university backgrounds, to bring financial management and wealth generation skills into the sector.

“I was recruited to bring commercial expertise into the university; (I’ve worked in public companies as CFO) to get the commercial systems in accounting, in reporting, in budgeting, in line with what an organisation of this size needs…. The Finance Committee of the Council …. all knew what that was about when they recruited me to do it. Now, their vision is to be commended, because they knew what they needed to do to move the university forward. Trying to translate their vision and the skills that I …. and the finance group here bring, to the wider university, becomes a huge issue …. because many of them don’t want to hear it” (i4).

Additional extracts from the interviews on this issue can be found in Appendix B.

Some of the interviewees discussed the impact that this change has had on their own roles, and the new activities they have had to undertake to resolve the issues with which they are confronted. Additional quotations are included in Appendix B at the end of the thesis.

“We have income targets …. to meet every year, and certainly there’s a lot of interaction between the leaders of faculties and the central administrators about how you might do that, but ultimately the choice …. is up to …. the faculty. And you can’t say “I don’t want to meet that income target”, because …. each faculty dean knows that if they don’t lift their target, well the other deans have to meet higher targets” (i7).

From this discussion it can be seen that university leaders are doing quite a lot to deal with this dilemma, through personally improving skills and by seeking skilled personnel from outside their organisations and bringing them into the university system. Financial management improvements have had significant emphasis, in order for universities to be able to manage the changing balance of government and private funding. University leaders are coping with both sides of this dilemma simultaneously, and expanding their own skill sets to improve their abilities to deal with each.
5.2.3 Regulatory Environment

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<tr>
<th>Increased government scrutiny</th>
<th>VS</th>
<th>Need to operate in market place</th>
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A significant tension which emerges from the interview transcripts is the challenge for universities to balance increasing demands by government, for monitoring of performance, transparency and accountability, against the freedom and self-determination required for an organisation operating in a privately funded market place. Comments about the difficulties caused by increasing government regulation were frequently made in conjunction with concern about reduced funding. The interviewees’ responses indicate that it was considered inappropriate for government to increase regulatory demands, in conjunction with a reduction of government funding. This was seen to create a significant management dilemma, requiring an ongoing ‘balancing’ act to enable universities to survive in such a difficult and demanding scenario.

“…. the Nelson reforms have deregulated and exposed us to more market principles, increased competition, students paying more of their fees, loans being available, wider choice, at the same time as governments coming in with tighter and tighter control on what they will pay for in the profile, right down to the decisions as to what courses you can move into in what campuses. Now, it’s nonsense to be regulating on the supply side, and deregulating on the demand side” (i11).

“…. They (government) have become, ironically, while reducing public expenditure, much, much …. more interventionist in terms of the amount of regulation and that is proving a significant challenge. I said in my inaugural address – “you cannot simultaneously float the dollar and fix it” – and that’s what they’re trying to do.....” (i8).

More extensive quotations from the interviewees on the issue of Government regulation can be found in Appendix B.

**Dilemma resolution**

It was evident from the responses of the interviewees that the management of the relationship between universities and government, as well as the management of media and public scrutiny, has become an increasingly significant activity for university leaders, as they strive to secure the positions of their institutions in the private market place. Universities are taking active steps to manage these external influences, including appointment of selected political figures to councils, and the establishment of personal relationships with government representatives.
“…the senior executive of universities have to work out how (they) are actually going to manage the media, the politicians and all that sort of stuff; get a clear message across and be consistent; …. we are much more professional about that whole area these days” (i12).

Other extracts from the interviews on this issue are included in Appendix B.

The need to operate like businesses in the free market place, as already seen from the comments with respect to funding above, has become a significant part of the activities of contemporary universities, as they become consciously more entrepreneurial and experiment with the development of their own corporate entities, in order to improve their commercial positions.

“…. certainly the push is there to become much more entrepreneurial in the sense of finding the market and finding out how to service that market, all within a given set of rules” (i2).

“…. another issue that faces universities; to what extent to diversify activities; seeking short term commercial returns versus concentrating on core activities. This university has had a whole lot of companies formed; its subsidiaries then develop a life of their own and try and get out and generate business for themselves, in property management or whatever, and those sorts of things have to be looked at very carefully as well” (i16).

It appears from the responses that there is no simple solution to this dilemma, with universities juggling both the demands of increased government scrutiny, as well as the demands of behaving in a more corporate manner, in order to survive in the current increasingly privatised higher education environment. Again it can be seen that university leaders are coping with both sides of this dilemma simultaneously, and improving their own skills in order to manage the situation.

5.2.4 Management Structure

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<tr>
<th>Colleial committee based structure</th>
<th>VS</th>
<th>Business-like hierarchical structure</th>
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As the funding structure of universities has changed, they have had to adopt more business-like management strategies to enable them to manage in the higher education market place. The challenges presented by the presence in university management of traditional collegial, committee based decision making structures, concurrent with the more recent, corporate management approaches, are evident in the responses of the interviewees. The former structure requires lengthy discussion and input of many
personnel in decision making processes; the latter is based on a more directive approach, with a core executive team making strategic decisions about the direction of the institution. This polarity once again presents leaders of universities with a seemingly irresolvable dilemma – whether to manage their institutions with an emphasis on the collegial and devolved management structure of the traditional university, whether to adopt the corporate management style more typical of business organisations, or indeed whether to attempt to balance the two.

“…. you’ve got the whole question of what I call traditional academic governance, the collegial system which …. is in fact your fundamental quality assurance. …. Now it is not a line management led, fast response system. And yet we’ve got one governance structure that’s driving fast response commercial outcomes, against a - also equally valid, equally important – traditional governance system. I think that makes it a very tricky balance” (i8).

“I’m still a great believer in the fact that universities aren’t businesses …. I think it would be a mistake to run a university like that …. “ (i16).

“…. they’ve had to become business-like …. the way they’ve been positioned as self-fulfilling quasi corporations and driven in to a revenue raising role as their primary immediate function …. that’s probably been the core for everything else that’s happened ….” (i10).

Dilemma resolution
It is apparent from the interview transcripts that universities have embraced the need for more corporate approaches to their management structures. Whilst more professional management is seen as essential to deal with increasingly significant management challenges, there is nonetheless seen to be a need to retain traditional academic management structures concurrently, to ensure that the higher education ‘product’ is not diminished.

There was not a significant number of responses describing what university leaders are doing to resolve the dilemma of their two management styles, other than that they are once again juggling both the traditional management with the new corporate approach, allowing the two structures to operate concurrently. It would appear that collegial management and academic independence are still in place in university scholastic pursuits, but more corporate structure and centralisation is becoming the overarching management structure for the strategic direction and business management of each institution. The interviewees referred to changes in universities to aid development of more professional, corporate management structures in recent years, including increased executive management groups, council
members of more business backgrounds than before, recruitment of staff with business training and the use of strategic plans as an accepted management tool.

“…. if you …. have a look at the top management structure of the university in the seventies you would have seen one vice-chancellor, and one or two PVCs or DVCs, and it was quite clear that that tier of people concentrated on the policy area. These days, you see a proliferation of DVCs across the board in all institutions, and almost universally, they see part of their job as having a significant line management responsibility. So you have a great layer of management at the top of universities that wasn’t there before …. ….One of the other things I’ve noticed is that university councils are starting now to act more like boards of directors, and whereas chancellors in the past were titular figures, usually of mature years, these days it’s far more likely they’ll be business people nearing the end of their career, but who will be far more hands on …. “ (i9).

More comprehensive transcripts form the interviewees on this issue can be found in Appendix B.

One of the interviewees noted that training of internal personnel in a more corporate approach to management would be supported, to improve skills in this area.

“I’ve encouraged …. the Law School …. to develop a course on Corporate Governance, and I would like …. a niche programme for higher education; and in fact, even if (they don’t) do a niche programme, I’m wanting to send people on that course” (i13).

It is evident that universities are introducing corporate structures and strategies to meet management challenges; but the interviewees made few comments on ways in which the academic model has been moderated. Once again, it can be seen that they are coping with both approaches concurrently, and improving their skills in order to deal with each; in this case, continuing academic management as before, without compromise, but elevating their skills in business management.

5.2.5 Leader Selection

| Leaders of academic background | VS | Leaders of non-academic background |

Challenges in the area of financial and business management, and subsequent developments in the management structure of universities, have given rise to debate on the best type of leader to manage a contemporary university. Whilst there is a variety of opinion whether leaders should have significant academic records, there is no doubt from the results of the interviews that in the opinion of the interviewees they do need professional management skills to deal with the challenges of their positions. There was a range of opinions on the preferred background of leaders. There appear to be significant
benefits in having a leader with strong business management experience; however, it is not universally agreed that a candidate without a notable academic record could be the leader of a university. This appears to be a significant dilemma facing those charged with the responsibility of finding suitable personnel for the leadership roles in their higher education institutions.

“…the way the career path of a vice-chancellor goes is, you end up running a department, then you end up running a faculty, then you end up with …. a portfolio like Research or International or something like that as a Deputy Vice-Chancellor. And then, all of a sudden, you are running a billion dollar business, and you’ve got absolutely no training for doing that at all….Increasingly, you are going to be finding people who are not from a purely university background running universities, and that’s going to be really difficult for the career university academic who’s heading on the vice-chancellor route, because they’re going to find people coming in. lateral entry people, mid-career; and they’re going to be better than them, because they've got wider skills” (i14).

“It was once said that you could only have credibility and authority as a vice-chancellor if you had been a senior academic … but the sort of people who are being interviewed now for jobs who would never have been interviewed before, tells us I think that what professional qualities are required by selection committees is beginning to shift in pretty profound ways ….” (i17).

“…. selection committees are looking for different sets of people. So, while I look around at my current cohort of VC contemporaries, and there is quite a bit of diversity, I have a sense that we are probably all quite different in kind from the cohort of fifty years ago. I never knew them, but I have a strong suspicion that these people were more grounded in their institutions, they were older when they got there, they were more chosen for their scholarship attributes, their jobs were less significant in terms of the institution and they weren’t CEOs“ (i17).

This issue was a dilemma that was discussed at length by the interviewees; additional quotations from the interview transcripts can be found in Appendix B at the end of this document.

Dilemma resolution
The frequent conclusion to the debate about the appropriate background for university leaders, and the attempt at resolution of this dilemma, appears to be to find personnel who have both credible academic records, and some public or private sector experience, to enable them to deal with increasing professional management demands. The difficulty of this solution is that individuals with such skills
and experience, and a willingness to undertake university leadership roles, are very few and far between.

“more and more, I think people in universities will try and appoint people who have experience outside universities. I’m advising (one university) on the appointment of a vice-chancellor at the moment, and certainly we have been diligent at looking for people who are academically well qualified, but also have strong experience in government or the private sector” (i6).

“Sometimes you trade off high quality management for better academic leadership, and sometimes you trade off better academic leadership for higher quality management, depending on the situation and the level and the context, and what else the team can build around them” (i8).

Additional remarks from the interviewees on this issue are included in Appendix B.

A number of respondents indicated that universities are dealing with this challenge by ensuring that there is a well balanced senior executive team, to ensure that all the requisite skills are present in the group, even if not in the leading individual. A further quotation can be found in Appendix B.

“…. if you are going to persist in the non-business expert CEO, the way many of them try and compensate now is to have around them people who are strong in those areas. So, good chief financial officers, general administrators, general managers whatever, who can keep them in touch” (i1).

“…. it will probably be a finance qualified or legally qualified….. person that will be increasingly expected to fill the senior general admin role, and that takes a bit of the pressure off the VC, but the pressure’s growing” (i1).

The shortcomings of the current system were noted, with personnel of good academic standing often selected to undertake senior leadership roles, such as dean or head of school, with no specialised training in business management.
“We don’t train them; we select them because we think they could probably do the job, or because they’ve got the support of their department. We only really start their training once they are in the job, by which time they are already so frantically busy that how much the training works I don’t know. We do provide evaluation; it’s all done more professionally now than it’s ever been done; but even so, we don’t go out and hire people to be heads of school; we just pick up academics and say “it’s your turn, sunshine!”, and not surprisingly, that means that the authority these people wield can be highly variable” (i17).

The interviews revealed that many of the respondents had taken personal action to develop their business management skills, in response to the challenges presented to university leaders in the changing higher education environment. A significant number of them had completed courses of study, or were undertaking personal development activities, to improve their capabilities in professional management, particularly in areas that have not typically been common in traditional university administration.

“…. now I’ve been in the AIM, I’ve been to a few course there, I’ve been to Melbourne courses, I went to a Harvard course for a month, and so on” (i12).

“I went to …. a workshop; it was at Harvard University, a world famous one, and it was on dispute resolution skills” (i3).

“I … did an MBA ….” (i5).

“I consciously went and did the Company Director’s course, although it was very difficult for me to fit it in, in terms of time” (i8).

It was noted that, in time, as universities become more experienced at professional business management, this dilemma may resolve itself, as university personnel will have the opportunity to gain a range of administrative skills within the higher education environment; the current scenario may in reality be a temporary situation.
“Eventually we will grow a cohort of managers inside these institutions who know all that stuff, because as universities – they will be just as legitimate places to learn all that as anywhere else; but the transformation has been so fast that we haven’t had a chance to build that new generation of university leaders who have got all the skills from within. So, it may be what we see for a while is people from outside, but as we develop people will look back inside” (i17).

Once again, universities are dealing with the dilemma by increasing expectations and expanding the range of leadership skills; coping with both things at once, and expecting improved capacities of individuals to manage both ends of the spectrum, rather than making a decision between the two polarised options of this dilemma.

5.2.6 Leadership style

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<th>VS</th>
<th>Directive leadership</th>
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As universities struggle to balance their management structures and selection of leaders to respond to the new pressures of operating as largely privately funded institutions, and as they become larger and more complex organisations, issues of appropriate leadership style are also raised. At one extreme, there is the concept of a ‘cultural’ style of leadership, where the leader creates an environment within which others can excel; on the other, leadership is seen as needing to be more directive, in order to move the organisation in the direction perceived as necessary for its strategic advancement. A further view expressed in the interviewees’ responses was that the leader’s style is chosen for its appropriateness for a given institution at a given time, and that this need will change according to circumstances.

“…. you can’t actually run a university any more in Australia, because they are just too big. So …. the people who are really doing it well, they’ve stopped trying to run them. They influence them …. the Vice-Chancellor of X, used to have this wonderful line, that ‘universities are self-governing, or else they’re ungovernable’ and I think that’s absolutely right, to tell you the truth. You have to influence them and shape them, and influence a culture within them where the right things happen. But you don’t …. actually run them any more like you would run a company …. Because they’re too big, and too diverse, and because you’ve got too many stakeholders, you can’t actually manage them, you can only influence them, shape culture in a way which makes them, of their own volition, the component parts of it, do things which are right and consistent with the way you want to see the whole organisation go forward” (i14).
“... the skills that you need in a university leadership position are, at the highest level, skills that you need in any leadership position. You need to be able to set a direction and you need to be able to take people with you. That’s what leadership is about. So set a direction, set out a set of goals to take you towards that direction, and persuade people, encourage people to adopt those strategies and goals themselves” (i13).

An additional extract from one interview is included in Appendix B.

**Dilemma resolution**

As might be expected, there were many different comments on leadership styles in the university environment. The dilemma of this issue seems to be partly related to the distinct groups of academic and non-academic staff, the differing management structures which prevail for each group, and therefore the leadership approach to which they might respond; but, additionally, it appears to be a reflection of individual approaches. The following extracts note some of the opinions with respect to leadership style, and also what the interviewees have done to cater to the diverse leadership needs of university personnel. Some of the interviewees favoured a consultative approach, and described the ways in which they have used this in their leadership roles:

“You really mustn’t be doctrinaire in your approach to management of a university .... One thing I had to learn was to be really open and flexible about what I thought was the right way to do things, because people can reach the conclusion you want by what looks to you like an enormously circuitous or different kind of a route” (i14).

“I think that you’ve got to learn to give up a bit of control. You’ve got to be more willing to tolerate some rough edges, keep your sense of humour and encourage it in others, and to let things rip a bit and be willing to change the road map a bit. Be a bit more tolerant if the group takes the process in slightly different directions or at slightly different time table than you immediately envisage.” (i11).

Additional quotations on this issue are included in Appendix B.

Other respondents use a more directive approach to manage the diverse range of personnel whom they lead within a university:

“.... in terms of leadership skills I think at the broadest level, it’s no different from any other organisation .... You have to set directions, set targets along the way and take people with you.... I do focus on strategic direction....Clear goals; absolute clear goals” (i13).
“Sometimes it would be really nice just to have a benevolent dictator that says “that’s what we’re doing”! .... But you can’t apply that in so many areas .... Mandating only works in extreme examples; because it’s just human nature; if someone tells you you have to do something … look at your kids! “Be in by twelve, don’t do this, don’t do that!” It’s like “oh, yeah?”” (i4).

Some of the interviewees noted specific actions they have taken to develop a suitable leadership style which works in their situation.

“…. the thing I’ve been able to do to …. develop that capacity for making changes within, particularly the academic staff, but also the general staff to a degree, is to …. build this …. leadership group …. that then in turn can go out and encourage those to whom they’re close to come along …

I have (hired) a number of professional consultants from firms that have experience in organisational change within universities…. to not only talk to me …. but also to talk to different groups of staff” (i7).

An additional comment on this issue can be found in Appendix B.

There appears to be no clear resolution of this dilemma – simply a collection of differing opinions about the way leadership should be presented in universities. As in most other large organisations, there are many approaches being practised, which also vary according to the specific situation.

5.2.7 Employment of Staff

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<th>Staff with tenure (employment unable to be terminated)</th>
<th>VS</th>
<th>Staff hired on contract (employed for required time only)</th>
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A long standing tradition for academic staff is academic tenure, under which arrangement personnel cannot have their employment terminated. At the other end of the spectrum is the hiring of staff on a contract basis, where they are employed only for the period of time for which they are required to perform their duties. This has created considerable tension for university leaders, as can be seen from the responses of the interviewees, as the former is a common scenario within the higher education environment, but it creates significant difficulties in the management of resources and finances for organisations which are increasingly required to operate like businesses, and to have the flexibility to respond to changing market demands.

The interviewees noted difficulties with older staff who are still employed under tenured arrangements, but it was also noted that recent industrial reforms have made it easier now to employ personnel under more flexible conditions, and that these new arrangements will provide more opportunity in the future.
to terminate the employment of personnel where necessary. Some respondents referred to the dilemma caused by old fashioned university human resources structures and rigidities, and their limitations for responding to the new requirements of students of today, which significantly include a need for more flexibility in the way courses are offered.

“We provide tenure of a sort to our academic staff, we want to be an employer for the long run, and we’re trying to reconcile that with the fact that our income fluctuates all over the place; and with a Federal Government that increasingly is trying to drive us toward contract employment, AWAs and an industrial regime that is much more about a casual work force, global wages and a different set of industrial outcomes. So we’re trying to maintain the model of the university about the sort of people we hire and how we look after them, with the reality of being in a market; and those tensions, they’re contradictions rather than anything else, don’t have a resolution. Will we end up hiring like the old docks, where we go down in the morning and say “we’re looking for an English Lit lecturer, what are we bid?” and end up as one has often heard about it in the United States, with a small tenured core of staff, and then a very large casual work force who live from contract to contract, and probably don’t get a salary during the summer because we don’t have to hire them, and so on. That’s what we’re driving toward, or that’s the logic of what we’re driving toward. Most of the institutions, including this one, resist the logic of that, because it undermines long term scholarship” (i17).

“….the changes in the way in which staff members could be employed, …. the flexible workplace conditions which came in under previous enterprise based agreements, allowed a greater degree of flexibility in terms of attracting higher calibre staff; and also performance management systems that allow under-performing staff to be persuaded to move on….. it is quite a different environment compared with, say, ten years ago”  (i16).

Dilemma resolution
It can be seen from the interviewee responses that there is some movement away from the limitations caused by staff tenure, with universities recognising that in the new corporate environment of higher education, sometimes personnel do have to be asked to move on if they do not fit into the new strategic direction that a university has chosen to follow. Generally this appears to be achieved through changes in industrial relations policy.
“I read ... only last week... that a number of universities (and) vice-chancellors are wanting absolute termination rights. They are wanting the ability to terminate somebody without these interminable due process things that literally drag on for years” (i6).

“... in terms of human resources and industrial relations ... you can actually rely to a greater extent on advice. Things are cut and dried – can we do that, can’t we do that, will we end up in court, if we end up in court what will happen? ... you can rely on good advice, but I think you need to understand generally what the political and industrial ramifications will be of what you do” (i15).

An additional interview extract can be found in Appendix B.

Different approaches to the ways in which personnel are asked to leave their university employment were evident in the interviewee responses:

“... in many cases ... you say “I think it would be good for the faculty to move on” – what works for me, actually, is doing it in a really positive and instructive and supportive way, and giving soft landings and making sure that the contribution that the person has made is really recognised, and being generous with termination pay; and helping them to leave with a feeling that they’ve achieved a lot” (i16).

“The universities that can afford it, and the vice-chancellors that have the courage, just pay people out, say “here’s some money, go, for God’s sake! Find something else that you’re better at” (i6).

It appears that, with respect to the dilemma of staff employment conditions, universities are taking action to change the situation, moving away from the traditions of academic tenure towards a more corporate approach to employment, where staff performance is managed, limited contracts are amongst the range of employment options, and termination is an option for non-performing staff. This change is being effected alongside retention of an existing aging staff, which remains employed on tenure.

5.2.8 Management of staff

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<th>Collegial and consultative (academics)</th>
<th>VS</th>
<th>Hierarchical and directive (non-academics)</th>
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A theme which appears a number of times amongst the interviewee responses is the different management style adopted for academic and non-academic staff. Whilst not all of the respondents consider that they treat individual staff members differently, they generally agreed that the management structure is different for these two groups. Management for academics is typically through a committee structure, with consultative processes and meetings as the norm. The non-academic staff, on the contrary, typically are managed through a more hierarchical structure, with clear lines of direction from the executive down. These contrasting structures can require leaders to deal differently with each group, thus adding to the complexity of their roles. The quotation from the interview below illustrates this dilemma; additional quotations are included in Appendix B of this document.

“…. I had an interesting discussion with a staff member this morning, who said “when we talk about policy matters, we talk like colleagues; but when I have to interact with your office, I’m treated like an employee”. He was making the point that a vice-chancellor turns one way to academic staff, and treats them as peers and colleagues, and talks to them in that sort of language, and then turns another way to general staff, and they are managing a team, and …. treated like a resource …. there are two sets of messages that go out …. this big general staff, it is a hierarchy, it responds to hierarchy signals, it expects leadership to take the form of directions; and this is an academic work force and it wants to be taken seriously on its own merits; it wants to be consulted about curricula and academic matters, and it expects to talk to you as an equal …. ” (i17).

Dilemma resolution
A number of the respondents clearly believe that there is no difference in the way they deal with diverse personnel; they do not see the issue as presenting a dilemma and noted in their responses some of the actions they have taken to ensure that this is the case.

“Really good academic environments, I think, are the ones where actually you’ve stopped saying there’s a bunch of things that your administrator/managers do, and a bunch of things that your academics do. It’s where you have a degree of comfort that you have both; so we had an Academic Senate which was academics and management, and we had a Management Group that was both management and academics, and it was important to mix both. If you put all your effort into managing across the divide, you end up accentuating the divide that’s causing the problem” (i14).
“I’ve very deliberately had the induction processes for general and academic staff together; whether the people you are talking to are part of the general staff or part of the academic staff; and similarly at the senior management level, I’ve created a senior management committee which has the senior administrative staff and the deans all together in the same forum. So, very much working towards a model where there is no distinction in the objectives that everyone is working towards” (i16).

Other interviewees observed that, whilst their message was consistent regardless of the staff group with which they were dealing, the examples or context used, and sometimes the presentation style, was adapted to suit the audience.

“…. we’re doing a round of something like ten different forums across the university. All staff are invited to faculty forums, to TAFE school forums and three admin forums, with the admin staff …. the format is the same, the presentation is the same; but the examples I will use to illustrate the vision and the main messages ….I change for the context …. The process doesn’t change …. whatever the purpose is, if it’s a common purpose to academic and general as the vision for the university is, then I expect that the main message to be common and the process to be similar. But it’s the context that makes sense to them, which I illustrate differently” (i11).

“We take all the heads and deans away once a year for three days to talk through what we’re doing together as an institution. So it’s leadership by exhortation; on the hierarchy side it can be leadership by instruction; so you have to have different sets of skills, different sets of behaviours, to get you to the same outcomes” (i17).

Still others of the respondents noted that the management of the two distinct groups of personnel in a university requires the balancing of different leadership approaches.

“ Some vice-chancellors … are much more comfortable working with general staff and set up their management teams to put a great emphasis on the general staff and other vice-chancellors find general staff hard going, because they are just not out of their world, and they would prefer to work through academic colleagues; and all of us find some uneasy balance between those two” (i17).

There appears to be no clear approach to dealing with this dilemma – with some leaders indicating that they don’t believe it actually is a dilemma and others expressing a contrary opinion; which is interesting as the issue is potentially very divisive.
5.2.9 Emphasis on Research

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<th>Research based universities</th>
<th>VS</th>
<th>Teaching only universities</th>
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A further challenge facing the leaders of contemporary universities is the judging of universities as a result of their research output, compared with the mass market demand for teaching at undergraduate level. Each of these scenarios requires a different kind of management structure, and a vastly different approach to the presentation of the university to the higher education market place. This issue arose on a number of occasions during the discussions with the interviewees, with many believing that they would have to make a commitment to adopt one or other emphasis in their institution, in order to attract the required students, staff and funding.

“…. there will be a greater degree of differentiation in higher education. At the one end of the spectrum will be research intensive, campus based institutions, largely the traditional model of a university; the other end of the spectrum will be mass market, largely web based teaching only institutions, some of which will be based overseas….. In the teaching only, web based environment, definitely the face to face will diminish …. in a non-campus type of environment, in office blocks with tutors who are moonlighting from other types of operation rather than full time research and teaching academics. .... Other universities will choose …. the campus based research intensive model, which will be more expensive, and therefore will only survive if the reputation and value of the degree is regarded as sufficiently superior to the cheaper model, that people will continue to seek it. So, it’s a high stakes sort of decision that universities have to make” (i16).

“…. the RQF is going to have an impact on universities, because it will alter perceptions of universities and I think, regrettably, it will be a snapshot in time and will advantage the ‘group of eight’ universities or perhaps five of the 'group of eight’ universities to the detriment of other universities and I think to the detriment of the whole higher education sector in Australia; because what it’s going to do is differentiate universities and give no incentive to smaller universities, newer universities, to actually reach a research intensivity, which they could do otherwise” (i13).
An additional quotation on this issue can be found in Appendix B.

**Dilemma resolution**

It appears from the responses of the interviewees that they are giving serious consideration to the likelihood of universities in Australia becoming more stratified; on the one hand more elite, establishment, research intensive organisations, and on the other, the teaching only institutions, which are catering to a large population of undergraduate degree students. The dilemma seems most pronounced for those who are currently aiming to provide for both of these activities and do not want to be pushed into becoming teaching only organisations.

“... while it’s pretty clear what the major sandstone universities have to do now both to consolidate their role as the leading selective and leading research universities, and while it’s pretty clear what some of the larger post 1987 universities have to do - they have to consolidate their role as teaching institutions who are offering service in regions, there is a bunch of institutions in the middle that have got a broad teaching, research, community service charter, would like to rise up, not down the research rankings, but don’t really have the resources and are struggling to hang on to their broad role in an environment where they’re being pushed into .... decisions one way or the other” (i10).

One resolution of this dilemma is for some universities to merge.

“... partly because of Commonwealth Government policy, where you could probably survive as a high quality .... research university .... You can also be a teaching university.... but if you’re both, but not very strong in either, you might find you’re space squeezed; and that’s why (some universities) are looking at merging” (i6).

It is evident that there is activity amongst universities which have already taken a position on this issue, with management making decisions such as the retention of staff with research profiles, in order to promote the research activity at a given institution.

“... the .... re-configuration of all our research activities within the institution to comply with the (new) Research Quality Framework set up is going to be a huge amount of work .... it’s not to do with research grants to individual academics, it’s to do with research money that comes to the institution as a whole .... there’ll be certain .... measures of each department in terms of how many non-research active staff you have; and so there’s a huge emphasis now on trying to get staff to be research-active, and not to keep ones that perhaps aren’t ever going to be able to” (i7).

As noted by some of the interviewees, this decision seems to be clear for the universities at each end of the continuum, but is not at all clear for those universities in the middle. Few of the interviewees indicated steps that their organisations have taken towards resolution of this dilemma.
5.2.10 Internationalisation and globalisation

| The need to perform in the global marketplace | VS | Subsequent dependence on unpredictable income sources, and the associated business risks |

Aspects of globalisation and internationalism currently impacting Australian universities were seen to demand choices of their leaders, and decisions as to where and how their own institutions will be placed in the global higher education market place. Issues of Australian universities venturing into the global market, and attracting students to come to Australia to study, as well as establishing off-shore campuses for international students to attend, were raised in the interviews. This entrepreneurial activity by Australian universities was seen to be countered by the advancement of international universities into Australia, a once captive domestic market. Other issues of globalisation arose with respect to international university rankings, and the effect this has now, and will have into the future, on the status of Australian universities internationally. All of these issues were discussed in terms of the impact they have on private income for universities, the subsequent unpredictability of their income, and the related management challenges.

“the globalisation of higher education is not just other people coming to Australia, and other people competing with us in markets we’ve seen as our own, in our own region …. new regulatory frameworks internationally, posing questions for how we think about our qualifications globally; the way our domestic market is not captive in the way we think it is, not just because of people coming in, but our students flowing out” (i8).

“Australia has been lucky in as much as it has been the leader in the field; we’ve largely been out there doing things internationally and believing we owned this sector and now we’re suddenly discovering that in fact there are many other countries who are getting into this game as well. And not only competing for international students; we are going to find there is going to be greater competition within Australia from international providers over the next few years as well” (i15).
“... once Shanghai Jiao Tong University produced a credible set of research rankings which really is based in solid data and not peoples’ opinions, based on output data, then the whole ballgame changed and we now have a world-wide research university ranking, which is pretty solid .... where Australian universities sit in the eyes of those rankings has become definitive of their roles .... and that’s feeding back into their status in relation to teaching, especially in the global market. So that’s sorting out the system” (i10).

Dilemma resolution

It is evident that there is significant consideration being given by contemporary university leaders to issues of internationalisation, and the need to compete in the global marketplace to attract international fee paying students.

Leaders are taking actions including personal improvement:

“....I haven’t yet had the time to do it properly, but I have started looking at how I get basic Chinese and basic Vietnamese” (i8).

Institutions are expanding to operate beyond Australian borders:

“.... in relation to world wide competition, (one university) no longer believes that it can survive being a good Australian university, it must be a good regional university; and so therefore in an attempt to be seen as a regional university it is starting a huge new campus (overseas), wholly owned by (that university)” (i6).

Thought is being given to the way Australian universities can develop a more global presence:

“This is going to be a new field that we have to orientate to, South East Asia .... Our language skills need to improve .... we are well equipped to work in China. A lot of Australian universities are very busy there already. A lot of Australians are over there a lot. There’s more we need to do to be effective and there’ll be competition .... So this is a new game which – if you were sitting in a VC’s position .... with two terms ahead of you, in ten years time you’d want to be on top of it as it emerges....

....a lot of Australian university leaders have gained by being interactive in Asia through the international market, .... the Memorandum of Understanding and all the other things they do. I think that’s been very helpful to them probably in generally giving them a bit of a critical stance on their own local situation and a bit more perspective” (i10).

It appears that Australian universities have accepted the challenge of participating in the global marketplace, and its associated risks, although this means that they are required to operate like businesses. Leaders are taking action to improve their skills in dealing with this issue, accepting that the former university structure is inadequate to compete; in taking steps to reconcile this dilemma, they are in fact accepting the development of new kinds of institutions.
5.2.11 Increase in competition and differentiation

| Increase in competition between universities; the need to differentiate and develop a ‘brand’ | VS | Lack of past experience in differentiating one institution from another; inappropriateness of responding to market demand with respect to academic ‘product’ |

Increasingly, as universities need to rely on private funding to maintain their existence, they are forced into a competitive market place, where they are required to be differentiated from other higher education organisations. In the past, largely government funded university places have meant that there was always a reliable source of students; but in the new era, students have choice, as they are paying customers. University leaders are presented with the challenge of having to develop a ‘brand’, or an ‘image’ for their institution, which means taking calculated risks as to what is most likely to succeed in attracting students to their doors. Universities are not experienced in such commercial pursuits, and to some extent this ‘supply and demand’ situation is contrary to the traditions of academia, where universities set their own agendas with respect to the programs they offer. This presents a dilemma to university leaders, as they attempt to maintain appropriate academic depth for their organisations, balanced against a range of programs which will be attractive to the students as paying customers.

“…. as an institution, which is now, in many cases, seventy-five percent privately funded, and is a big enterprise, am I, as a CEO, managing the enterprise in the manner in which you would expect any big financial enterprise to be managed? That is, balancing my recurrent budget, making sure I’ve got a decent balance sheet, making sure my gearing is fine, etc. …. those challenges are with all of us, and they are increasingly with us so long as the market on which we depend is getting more and more volatile. That is, we’re increasingly dependent on international students and international fees are shifting up and down, and even within the domestic market, increasingly it’s being deregulated, and therefore increased competition means that where we could rely in the past on a set number of students being effectively forced to come to each institution, increasingly students have choice; because even if they can’t get a publicly funded place, as long as they’ve got the means to do so, they can either use savings or borrow to take a place at any other institution of their choice” (i14).

Additional extracts from the interviews are included in Appendix B at the end of this document.

**Dilemma resolution**

It was clear from the interviews that university leaders are very conscious of the move of their institutions into a more competitive market than they occupied in the past, requiring them to consider
issues of market responsiveness, and the ‘brand’ that their university should project. It is evident that there are actions being taken to redress the situation, and resolve some of these issues, although there are challenges presented by the lack of skill in these areas. Such issues as the marketability of courses, and paid advertising are being newly addressed – something many have not previously experienced.

“…. the move of universities into a market environment, means that we’ve actually got to understand the nature of our markets, and the nature of our product range, that is the courses that we offer as well as the research services that we offer in a way that we have never had to…. in this university, for example, we’re going to be running a meeting in late November, with the heads of all of the faculties and all the TAFE schools, and for the first time ever, they are going to be faced with the vice-chancellor saying to them we’re going to do nothing for the next three hours but talk about where your course profile is going in the next one to three to five years…. we’re all being forced into being far more market responsive and we’re not well equipped to do market research, to then change our course profile. Our course approvals processes are slow and bureaucratic” (i11).

“Marketing …. can be done, and has been done, probably most spectacularly in recent years by (one university which) took a very brave step of doing television advertising to an extent that hadn’t really been done to my knowledge before, not to that extent, and got controversial people, well-known and sometimes controversial people, advertising (the university) and helping to position it” (i6).

An additional quotation can be found in Appendix B.

It was noted that the retention of academic standards, whilst responding to demand in the new higher education market place, was essential; the two issues having to be balanced, so that the quality of the ‘product’ is not jeopardised.

“…. you will always be willing to cross subsidise things that you think have educational merit …. you can’t imagine a proper research university that doesn’t teach in a whole range of areas” (i17).

It was evident from the interviews that university leaders are spending significant time and energy on developing an understanding of marketing and promotion, in order to develop brands for their institutions, to attract the private fund sources on which they are all now so heavily dependent. It was clear that there is a lack of this knowledge within universities, as in the past they have been fully funded, and have not had to promote themselves to attract their student clientele. Some of the interviewees have taken action personally to develop their skills to meet these challenges.
“I looked around to see who did this well in the world .... and I discovered the Canadians had done quite an interesting translation in recent years. They were like Australia in that fundraising wasn’t big, and they had to learn how to do it, and they’ve done it really well. So, I’ve hired somebody from the University of X which is the most successful in fundraising .... and I’ve brought her out to teach us how to do this; .... and that’s how I’m going to learn; but it’s too early to tell you whether it works or not!” (i17).

“.... fund raising .... to do that effectively, which is what the big American presidents do, requires a whole range of preparednesses and understandings and experiences .... I (visited America) and I will do more of that! But I did actually do some initial training with a fund raiser about what was required .... some of it’s going to be experience, and some of it’s going and worrying about it more and I will worry about it more as time goes on” (i8).

An additional extract from the interviews is included in Appendix B.

As with the dilemmas presented by the need to participate in the international market, this related dilemma of the need to create a brand for the institution, without the traditional skills to do so as part of the organisation’s make up, has been fully accepted, and steps are being taken by leaders to acquire the skills needed to deal with it.

5.2.12 Time management

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<th>Symbolic activities</th>
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One issue, referred to by a number of the interviewees, which arose as a dilemma for university leaders, was that of time management. An example of this, particularly for vice chancellors, is the traditional requirement for them to participate in symbolic academic activities which are very time consuming. This can be in direct opposition to the increasing need for such leaders to be involved in a wide range of strategic management demands, as are typical of a CEO position. Inevitably, attending to the diverse range of stakeholder needs presents dilemmas in terms of allocation of time, as all these demands cannot be accommodated. A number of the interviewees discussed issues of time management, as choices are made about which items can be completed, and which must be knowingly left for a future time.
“...if you speak to vice-chancellors, the greatest difficulty is pleasing the diverse (stakeholders) that they have to satisfy .... vice-chancellors have to spend a lot of time doing things that aren’t really productive, so there’s an expectation that they’ll attend graduation ceremonies, maybe twenty or thirty of them, in a year; there’s also an expectation that dies hard that they’ll chair most selection committees for professors. Now, if you take those two things alone, .... the workload is enormous; so I think they need to be freed up to do more productive things”   (i9).

An additional quotation on this issue is included in Appendix B.

**Dilemma resolution**

The interviewees mentioned conscious choices between attending to some issues and leaving others, self discipline, and the assistance of other personnel, to keep in touch with priority issues.

“....we know there is stuff that, in an ideal world, it would be really good to fix now, but we’re probably not going to get ‘round to it until July; so you can really stress about not getting ‘round to it until July, or you can just do the stuff that you’ve got to do first, and say well “that’s just going to keep on rolling along and looking awful for a little while”, but that’s okay because you can’t do everything at once”   (i14).

“.... one of the greatest things you can have is an executive officer who has got eyes and ears everywhere, who can actually say ... “you should realise that””   (i15).

This dilemma challenges all leaders, not just those in the higher education sector. It is dealt with in a variety of ways by the individuals concerned, and is simply seen as ‘part of the job’.

### 5.3 Deeper analysis of the dilemmas

Of the eleven dilemmas identified through the interview questions, most were directly related to the change in the funding base of universities, which has transformed them from fully government funded organisations into institutions largely reliant on private funding. Of these eleven, seven have resulted in the leaders having to develop new, generally business related management skills, in order to deal with the changing demands. These dilemmas would be unlikely to have been experienced in a different external environment; thus, most of the leadership challenges that are highlighted in this discussion and the new skills that university leaders are being required to develop, can be reasonably assumed to have arisen as a consequence of these external pressures. Of the other four dilemmas, several highlighted generic leadership issues, of the type that might arise in other contexts as well as higher education, each with a variety of personal approaches to their resolution.

It can be seen from the eleven dilemmas identified, and some of the actions that are being taken by university leaders to deal with these dilemmas, that many of them are being accepted as polarities
which exist but are not always reconcilable, with university leaders instead expanding the diversity of their own skill sets to manage the challenges that arise. When considered in the context of dilemma reconciliation theory, as proposed by Trompenaars and Hampden-Turner (2002) it can be seen that the leaders of contemporary universities are not dealing with the dilemmas they face by choosing to adopt the view of one polarity or another; rather, they are continually moving between the extremes of such dilemmas, in an attempt to seek resolution of the issues. As illustrated by the Trompenaars Hampden-Turner diagrams (2002) and the diagrammatic adaptation of that approach applied to the key higher education leadership dilemma (shown in Figure 4 below) this process is fluid, multi dimensional, and demonstrates the continual seeking of reconciliation that effective university leaders use as they endeavour to balance objectives in their higher education environments which would appear to be irreconcilable.

![Figure 4 Reconciliation of key university management dilemma](image)

These findings demonstrate that, where practical, these dilemmas are therefore being managed rather than reconciled, and show that central to the capacity for managing practical dilemmas is a clear awareness of the competing values, and of constellatory awareness as a leadership virtue. Followers need leaders to perspicaciously and fairly manage the tensions arising from two or more equally valid goals or values, rather than reject one in favour of the other, or pursue an impossible ideal of total integration or resolution.

### 5.4 Comparison of the results with the literature review

#### 5.4.1 Relationship of the literature review to the research

In order to compare the results of the literature review with the results of the research, the following commentary is compiled under the key headings from the literature review structure, generally dealing with universities as changing organisations, and the changing state of their leadership. The information
from the literature, which summarises many of the prevailing issues in higher education, is compared with the analysis of the interview results, yielding further insights into the key issues in university leadership, as described by the interviewees. In addition, the dilemmas which have been identified are reviewed in relation to the results of the literature review, reinforcing and expanding the findings in the literature, and adding new information through the perceptions and insights of the interviewees.

5.4.2 Universities as organisations

The literature alludes to traditional academic leadership and the collegial approach to decision making, which have characterised university management in the past (Lockwood and Davies, 1985). While it can be seen from the results of the interviews that this management style is still found within the academic ranks of universities, it is clear that a centralised, strategic and business-like approach is now common in the general management and administration of universities, replacing the previously largely administrative support role of non-academic personnel. In recent years, as can be seen from the literature, there has been a strong move towards more corporate models of university management (Marginson, 2000). Some publications suggest that this move is largely eclipsing previous collegial management styles (Scott, 2002; Marginson 2000) but the results of this research indicate that, while corporate management strategies and indicators are now widely used in universities, academic leadership is still perceived by university leaders to require a combination of traditional academic and business management approaches, resulting in the retention of much committee-based decision making to achieve academic independence, but with a strong centralised management hierarchy, to ensure adequate financial management and to respond to increasing government regulatory demands. The results and analysis of this research indicate that the two management approaches are operating concurrently in universities, with university leaders often developing a range of different leadership skills, to enable them to function in both academic and business management contexts, often adapting their management style to suit the environment in which they are operating. The changing external environment is requiring universities to develop ever-increasing sources of private income, to respond to the demands of operating in a competitive global marketplace and under increasingly regulated government scrutiny. Whilst they are thus obliged to operate like large private businesses, the academic side of university activity continues to be managed to a large extent using traditional academic values and processes.

There is a significant literature espousing the importance of symbolic and collegial leadership in universities, in particular the role of the vice-chancellor in embodying collegial values (Bargh et al, 2000). The literature of leadership of loosely formed organisations, as attributed to traditional university structures, describes a situation of weak, devolved authority, where those with academic standing, or political ‘power brokers’, can use their influence to direct the organisation (Cohen and March, 1974; Lockwood and Davies, 1985). More recent publications depict a move towards a corporate leadership style, greatly in contrast to the democratic approach characterising the traditional leadership models, in response to the need for universities to operate like businesses (Henkl, 2002; Clark, 2000). In the more corporate model of university management, the literature does indicate a
change in the role of the vice-chancellor, requiring increased professional management skill, with a subsequent impact on the time available for academic management activities and approaches (McClenaghan, 1998). Publications can be found that indicate the emergence of a senior university executive team, similar to those which can be found in businesses (Henkl, 2002). There is no doubt from the interviews conducted for this research project that, whilst there is a continuing component of symbolic and collegial leadership, particularly in the academic side of university management, there is also a significant increase in the need for professional business leadership, as universities have moved to a more corporate model of management. The research results show that the vice-chancellor role has become much more akin to that of the contemporary business CEO, with a parallel decrease in the amount of the leader’s time that is available for traditional symbolic academic activity; nonetheless, the results indicate that university leaders have expanded their skill sets, to accommodate both traditional and corporate responsibilities, rather than adopting one role or the other. Strategic leadership teams supporting vice-chancellors are expanding, and from the interviews appear to be a most important part of successful university management at the present time. These developments in university management and leadership are directly attributable to the changing higher education environment, where universities are competing for private funds, and operating as businesses in an international market place, with a resultant increased requirement for financial and business management skills.

5.4.3 External pressures on universities

Some articles reviewed in Chapter 3 indicate an increasing emphasis on the need for universities to focus outwards, in contrast to their previously traditionally inward emphasis (Boyett, 1996) and there is no doubt from the interviews that this is an increasing trend. As universities operate in a broadening global market place, with increasing government and public scrutiny, their leaders put considerable energy and thought into managing these issues. The results of the research show that the need to operate in the international market, both in order to attract foreign students, and to encourage Australian students not to travel overseas to study, have become significant external pressures which have led to the investment of considerable amounts of time and money. Globalisation of the sector generally, an increasing emphasis on international research rankings, the changing research framework, continued decreases in government funding and the increasingly rigorous regulatory environment were all seen by the interviewees as current or emerging challenges which will impact significantly on the management of universities in the future. This in turn will present ongoing challenges to university leaders, as they continue to manage across both the academic and business aspects of their complex organisations, promoting a clear ‘brand’ to potential customers, but also achieving the necessary standards in the global research rankings to achieve the required appeal to attract both local and international students.

5.4.4 Generic leadership theory and university leadership

From the articles reviewed in Chapter 3 with respect to generic leadership theory, themes emerged about the changing nature of businesses, and the prevalence of more supportive leadership styles, replacing the previously autocratic, directive styles that accompany traditional hierarchies. With
changing, flatter business structures there is a devolution of leadership responsibility to lower levels of management in large organisations, with input into strategic decision making not only happening at the executive level, but at the company ‘coal face’ (Yukl, 2002; Manz and Sims, 2002; Bartlett and Ghoshal, 1995). It is interesting to compare the trends in business leadership with the changes in contemporary university management, which traditionally has had highly devolved leadership and organisational structures, but which is now moving towards more corporate, centralised, management and more executive leadership styles (Clark, 2000; Marginson and Considine, 2003). It appears that, while much academic decision making is still devolved to faculty or school levels; it is now within a more structured business-like university management, which reports back to a central, strategic management team. Considering this issue from both corporate and traditional university management perspectives, it seems that this dilemma may be reconciling itself, in both commercial businesses and universities, to a middle ground, where corporate organisations are encouraging more devolution of decision making, and universities are working towards more centralisation, in order to bring their organisations to an appropriate level of control for their respective sectors.

A common approach taken by writers in the leadership literature is to focus on the identification of particular attributes or skills of leaders, which enable them to be effective (Sarros and Santora, 1994; Drouillard and Kleiner, 1996; Scarnatti, 1999; Goleman, 1998 and 2000). Opinions in the literature about the qualities required for a leader to be successful are highly diverse, and there is widespread discussion on the roles of such attributes in bringing about effective organisational outcomes, covering a range of personal and professional qualities, with many of the former seen as generic requirements for outstanding leadership in any given situation. A study exploring the relationship between professional and personal leadership attributes, and the willing cooperation of followers (Mastrangelo, Eddy and Lorenzet, 2004) was used to assist in the development of some of the interview themes and questions. Participants in this research did not easily differentiate between professional and personal leadership attributes, but did identify the need for university leaders to possess skills in both academic and business management and leadership, in order to be seen as having academic credibility, and also able to carry out the management tasks required of these complex positions. Academic credibility was by some respondents seen as a ‘hurdle’ requirement, with skills in strategy development and people management also critical. As indicated in the leadership literature (Goleman 1998 and 2000) it was also seen by the interviewees as advantageous for a university leader to have a collection of management styles and capabilities, with different skill sets being drawn upon in different situations; sometimes to the extent that leadership changed completely when an institution moved into a new phase. Personal attributes identified as necessary for these university roles were aligned with the generic leadership literature, with the research indicating that communication skills, honesty, integrity and trustworthiness were essential, along with commitment and the ability to adapt to the requirements of different leadership situations. The interviewees noted that personal discipline was one of the most difficult attributes to develop and they had all adopted some form of personal development training, from observation of other experienced leaders to more formal courses of study.
5.4.5 Impact of the literature on this project

The literature has provided a valuable introduction into higher education leadership, informing and enabling a deeper pursuit of the issues raised in the research questions. Higher education organisations are complex, and the literature reveals that, whilst in the past they have been considered almost ‘unmanageable’ (Lockwood and Davies, 1985) contemporary universities are becoming even more complex, as they operate as multi-million dollar businesses, in addition to fulfilling the academic roles that have characterised their tradition. The review of the literature has provided an overview of the higher education environment, and has given a clear indication of many of the challenges university leaders face as they manage their institutions; however, there is little material published which provides first hand accounts of the experience of being a contemporary leader in a university, the increasingly complex higher education environment and its impact on their roles. This research project has been conducted to go some way towards bridging that gap, by exploring the impact that the rise of an increasingly business-like management focus is having on universities and their leaders.

The Mastrangelo, Eddy, Lorenzet (2004) model, which proposed a relationship between willing cooperation of followers and the professional and personal attributes of leaders, was a further useful tool from the literature, assisting in the development of the interview questions, and helping shape the exploration of some of the key issues with the interviewees. It was interesting to note that, while it might be expected that appropriate professional qualifications in academic achievement were in most cases considered by the interviewees to be a ‘hurdle’ requirement for university leaders, many of the leaders interviewed did not have formal business management qualifications and had learned their management skills through their career roles. The personal leadership attributes identified by the research participants as fundamental to successful university leadership were strongly aligned to the leadership qualities that were identified through the literature review.

The concept of dilemma reconciliation is a key feature of the analysis of the research results, providing a significant means by which to expose revealing insights into the results of the interviews. The identification of a number of key dilemmas currently facing university leaders, seemingly irreconcilable, polarised issues, has been extremely valuable in developing an illuminative understanding of current university leadership challenges, enabling the drawing together of information examining the situations of university leaders from their own perspectives, and in their own words. A highlight of the analysis of the research results in terms of dilemmas is the obvious connection between most of the dilemmas identified, and the changing funding base of universities, from largely public sources to a far greater dependence on private income, with some two thirds of the listed dilemmas stemming from this change in the external higher education environment.

This research, and the analysis of its results, will assist in providing new first hand insights into university leadership and management, thus going some way towards filling a current gap in the literature.
5.4.6 Higher education dilemmas in the context of the literature

It is clear from the literature that there has long been a management dilemma arising from the nature of universities as organisations; their complexity and their relative unmanageability being due to their ‘loosely formed’, devolved structures (Weick, 1976; Cohen and March, 1974; Feildon and Lockwood, 1975; Lockwood and Davies, 1985; Barnett, 2001). The study shows, however, that this dilemma in contemporary universities has become even more complex than it was in the past, as universities maintain their devolved academic management, concurrently with a developing, more structured approach to the management of the increasingly sophisticated business aspects of their organisations. The contemporary issue of university funding, requiring universities to function in a competitive, and increasingly global market place, is identified in the literature, with its resultant effect of a leadership increasingly concerned with issues of strategic planning, the need to respond to market demand, while dealing with the greater accountability now required of the typical enterprise organisation operating in the private market (Henkl, 2002; Clark, 2000; Marginson, 2000). The effect of this significant dilemma on university leaders is not, however, fully explored. Personal accounts from university leaders of its major impact on their roles, and the skills they have been required to develop as a result, are an additional contribution that this study makes to the literature. It can be seen from the analysis of the results of the interviews that many of the dilemmas currently facing contemporary higher education leaders appear to be almost irreconcilable; the polarities being dealt with by the expansion of the diversity of the skill sets of leaders, as they manage the challenges that arise.

5.5 Analysis summary

The tensions highlighted in the literature, as university leaders develop from purely academic leaders to CEOs and executives who are managing significant businesses, are illustrated and expanded upon through this research study. Most of the eleven dilemmas identified through the interview questions directly relate to the change in the funding base of universities, which has transformed them from fully government funded organisations into institutions largely reliant on private funding. The identification and analysis of the dilemmas provide revealing insights into this issue, and the way it is being managed by contemporary university leaders. It can be seen that continuous juggling is required, to meet the demands of the diverse range of stakeholders in increasingly complex organisations.

The results of the interviews presented in Chapter 4 have been analysed in Chapter 5 in terms of the dilemmas facing university leaders, and the steps, if any, that they are taking to reconcile these dilemmas. This approach has been used to gain a deeper and more dynamic understanding of the issues, rather than the simple identification of emergent themes from the interview transcripts. The analysis has been compared with the results of the literature review. While the findings of the research were frequently in accordance with the literature, the research results have expanded the knowledge in this area, through personal interviews with university leaders and other experts from the higher education sector, and the recording of their information using extensive extracts of their responses in the body of this thesis.
Chapter 6

Conclusion

Can this research help progress the reconciliation of management dilemmas in contemporary university leadership?

6 Conclusion

6.1 Conclusion overview

The research questions reflect challenges in the current higher education environment, the changing nature of university leadership roles and the extent to which leadership skills must evolve as universities become more business like in their management. With university leaders increasingly undertaking roles akin to those of high level executives in large public companies, dealing with business strategy, fundraising, maintenance of academic standards and government scrutiny of large institutions, there is increasing reference to the comparison between universities and businesses in the changing higher education environment. Universities can be conceptualised as being in ‘the business of knowledge’, with their customers the world leaders of the future. They are evolving with new enterprise paradigms, which raise complex issues of management and leadership. The circumstances within which universities conduct their work are now vastly different from those of the past; as they are expected to provide evidence of ‘giving value’ and compete for customers, the roles of their leaders are under review and evolving rapidly. This study had the practical purpose of adding to the knowledge of, and so making recommendations with respect to these issues. While the methods with which contemporary universities conduct their business now vary markedly from those of the past, they remain organisations of fundamental importance, exerting a major influence on the shaping of coming generations and thus the future world.

Although the literature abounds with descriptions of the current environment of higher education management, there are few instances where university leaders were interviewed for their own accounts of the effect on their roles of the massive management changes in the university sector in recent years. The research conducted in this study has added a new aspect to the available literature, in providing such first hand opinions from university leaders. It was identified in the literature, and reinforced by the interviewee responses, that the higher education sector is undergoing significant management transformation as it responds to the changing nature of university funding, from previously fully public
funding sources to the predominantly private income sources of today. This profound change has created major challenges for contemporary universities, and their leaders.

6.2 The higher education dilemma

The results of the research, and the review of the literature, have allowed this researcher to clearly articulate organisational management and leadership dilemmas in the higher education environment stemming from the transformation of universities from fully funded public institutions to largely privately funded organisations. Formerly operated according to their own internal processes, universities are now functioning in competitive markets, with more business-like management structures and procedures, but nonetheless subject to a higher level of government and public scrutiny than ever before. In addition, academic integrity and impartiality must be maintained whilst these management changes are effected.

The results of the interviews, summarised in Chapter 4 and analysed in Chapter 5, focus attention upon a number of management dilemmas with which university leaders are faced. The over-arching dilemma, which gives rise to most of the other dilemmas currently facing university leaders, is that of university funding. Universities are being forced into a competitive market place, due to a reduction in government funding and increasing reliance on generation of private income sources. They are competing with each other in a global market to attract fee paying customers, as well as seeking other sources of income to supplement that from government and fee paying students. This requires universities to act as commercial enterprises, with the necessary associated professional management processes, in order to attain financial viability. At the other extreme of this dilemma, universities are increasingly required by government to be transparent and accountable in their practices whilst continuing to protect their academic integrity by upholding their standards of independent assessment of academic merit and scholarship. In one sense this is directly at odds with the supply and demand aspects of the competitive market for ‘higher education products’, with universities being forced into cost benefit analyses of their academic products - which is contrary to the traditions and impartiality of academia. These dilemmas reflect the tensions between the characteristics of a traditional university of the past with a collegial management style, and the contemporary university, which has adopted more business-like management strategies to deal with financial priorities. University leaders are increasingly required to have skills and experience in both academic and professional management, in order to facilitate reconciliation between the extremes of this dilemma.

The following diagram, adapted from those illustrating the Trompenaars, Hampden Turner text (2002) which informed the results analysis, visually captures the contemporary university dilemma and the role of university leaders in facilitating its reconciliation. It shows universities continuously moving between the extremes of their increasing need to operate as commercial enterprises and their obligations to retain academic impartiality, as well as being open to increasing government and public scrutiny. University leaders as facilitators, with their skills of academic and professional management, are charged with progressing reconciliation between the extremes of this dilemma. The ideal outcome
for reconciliation of this issue is to achieve institutions with impeccably professional commercial management practices that can bear high levels of government and public scrutiny, integrated with an impartial and independent academic product, but at the same time able to operate in a commercial, competitive environment.

This situation can clearly be seen to illustrate the notion given on the first page of the book, which describes a leader as “….one suspended between contrasting values” (Trompenaars, Hampden-Turner, 2002, p.1). From this study, it can be seen that contemporary university leaders are balancing the process of resolution of this key management dilemma. Their roles require them to facilitate the achievement of the professional management systems needed efficiently to lead their complex commercial organisations, as well as to gain the academic affirmation necessary to ensure that their institutions retain a high level of academic independence and integrity, despite the commercial imperatives forced upon them. University leaders thus need to draw upon their personal and professional skills, as academics and as professional managers, to meet these demands. This requires the ability constantly to juggle competing priorities, and a broad range of leadership skills, both in the professional management and academic arenas.

In a business the product is a critical component of the overall company strategy. It cannot be successful without the right product, but the product itself will not be successful without the strategic plan to expose it to the public view and create the demand required to make it a success. Such is the higher education scenario now, as universities act as commercial enterprises, selling their product in a competitive environment. In the past, knowledge and learning, the university ‘product’, has dominated university administration, with the latter provided as a support service. It would now seem that universities of today will increasingly be operating in a competitive market, leading to the academic ‘product’, becoming a significant component of the organisation's overall strategy, rather than something that can exist in isolation from market forces.
The academic and corporate aspects of university agendas will need in future to become more integrated, in order for the individual institution successfully to move forward in the new competitive commercial environment. University leaders therefore, at all levels, will increasingly require skills in both the highest levels of professional management and academia, to enable them to conduct this balancing act to a successful outcome.

6.3 Dilemma resolution

The results of this study indicate that, whilst more sophisticated business management is developing in conjunction with existing traditional academic management practice, it appears to be in reaction to and as a result of the demanding higher education environment, with the necessary leadership skills being developed in response to the pressures being experienced. In future, a more planned, proactive and systematic approach to the inclusion of these skills amongst university leaders could encourage stronger development of the balanced management professionalism which is increasingly necessary in contemporary universities. Some means by which the dilemma can be proactively addressed appear to be through further balanced attention to the following strategies:

- The growing of an internal generation of university personnel who understand issues of commercial business management in the university context;

- The conscious recruitment of individuals with desirable skills and expertise for specific and more general management roles, from outside universities; either from government or from commercial backgrounds;

- Consideration of the potential for business skills development for those currently in management roles who have limited business leadership experience.

The means by which two fundamental aspects of university operations, professional management and academic integrity can be integrated in order to achieve the best possible business and academic outcomes, might be through:

- Consideration of alternative organisational structures which allow business managers to work alongside academics as equals, with parallel career paths to allow academic and administrative staff to progress to similar levels of seniority;

- Review of university organisational structures and management procedures, to determine the means by which academic and business processes can be better integrated to achieve unified strategic goals for these institutions.

In conjunction with a systematic development of internal university professional management expertise, it will be critical that academic quality and integrity, the inheritance of long traditions of scholarship and collegiality in our universities, is preserved and improved as management evolves. While the committee system of academic management has been a key quality management tools in the
past, this approach has some limitations when applied to a commercial enterprise. In the future, safeguarding of our academic heritage may be achieved by the expansion and development of university quality control processes, to ensure that both academic and commercial strategic requirements are aligned. In addition, such purpose designed quality control systems could also incorporate the auditing and reporting procedures necessary to ensure that government requirements for accountability are met. An integrated approach to the design of university quality management systems will be critical to the successful resolution of this dilemma. Some activities to assist in this integration process might be:

- Continuation and expansion of representation in policy making groups within university management of equivalent numbers of academic and management personnel, dealing with both academic and business management matters;

- Participation of both academic and management personnel in the shaping of changing strategies in universities, as they continue to evolve towards more business-like organisational structures;

- Development of systems and measures of quality assurance, to ensure:

  - Consistently maintained academic standards;
  - Programs of quality and content that will complement the strategic direction of the institution;
  - Reliable academic offerings that are understood by the consumer in the market place;
  - Programs designed across the university as a whole to ensure that an appropriate range of products is achievable without compromise to the academic integrity or the commercial viability of the institution;
  - Quality assurance procedures that ensure measurable performance, accompanied by regular reporting, as evidence of levels of quality sufficient to withstand government scrutiny, while at the same time meeting the academic needs of the university.

In the process of developing the professional management of universities, it is critical that the scholarship that has made them respected institutions continues to be honoured. It will be the responsibility of future leaders to ensure that the two extremes of this dilemma are appropriately balanced and integrated in the resolution of the best professional management systems for these complex organisations. One significant aspect of the business systems development which will be critical to its success, will be the design of, and compliance with, formally documented and monitored integrated quality assurance processes, with sufficient auditing and reporting components to meet the needs of academic quality, business viability, and government scrutiny. Finally, however, if
universities are to be more than businesses, their leaders will need to regularly return to consideration of the fundamental question of purpose: Why do universities matter – and in particular, what reasons are there for the existence of universities above and beyond technical considerations of course quality and student-as-customer satisfaction levels, and financial considerations of balanced budgets and profitability?

6.4 Response to research questions

The research explored the issues of the impact of the changing environment on university leadership, and the skills and qualities required by leaders to be successful. The primary question addressed by the research was:

“What, according to university leaders, are the main management challenges they face now, and in the next five years, as both the business performance and the academic prowess of universities are rigorously scrutinised?”

It was apparent from the research results and analysis that in the current turbulent higher education environment, many of the management challenges for university leaders stem from the increasing requirement for higher education institutions to generate income from private sources, with decreasing contributions from government. This significant change is happening in parallel with an increase in public and government scrutiny, and a requirement for openness and transparency in all university transactions. This issue is the over-arching challenge that faces university leaders now, and into the future.

There is therefore a management dilemma, as leaders are required to ensure that their organisations maintain their standards of academic excellence and impartiality, with openness and accountability in their business activities, while at the same time operating with commercial strategy as they compete in an increasingly competitive global market.

This dilemma has a considerable impact on leadership roles at all levels of university management.

Subsequent or secondary questions which were also considered were:

“What qualities do university leaders perceive they need to deal with these potentially competing demands?”

“What qualities are thought to be required by future university leaders to best prepare them for future demands?”

It is evident from the research results that the management challenges in the current higher education sector have had a significant impact on leadership roles, with skill profiles demanding increasing levels of professional management capability, at all levels of these organisations. There was no doubt from the research results that the interviewees perceived that they needed generic leadership qualities, and professional business management skills, to deal with the demands of their organisations; it was also
generally felt that it was best for people in university leadership roles to have reasonable academic records, in order to be able credibly to manage their academic staff as well as the administrative sections of their organisations.

The future was generally perceived by the interviewees to be likely to present more of the same challenges, with an increasing emphasis on the need for personnel to have professional management expertise as well as their academic qualifications. It was predicted that, over a period of time as universities develop more business expertise, personnel will be able to develop appropriate management skills in-house; however, at the moment, there is a trend to recruit externally staff who bring with them commercial and government management expertise, which is thought to be currently lacking in universities.

It is possible that the business like management structure will become the usual management approach, within which collegial management will be confined to academic circles, as universities have no choice but to operate like businesses, and therefore must have the strategic plans, structures and systems by which they can reach the goals they set for themselves.

6.5 Further research

Resulting from this research, a number of specific issues arise that might be pursued in future studies. There is potential to research and evaluate:

- New steps which can be taken for the recruitment or development of personnel with academic and professional management experience as university leaders;

- Proposals exploring the ideal organisational structures and management systems for universities, in order to meet their commercial and academic priorities;

- Processes by which the academic and professional management cultures within universities can better be integrated;

- Implications for traditional academic pursuits of the ‘cost benefit’ analyses typical of product research in commercial business strategic planning;

- Development of a university specific quality assurance system that meets the needs of academic and business management strategies, as well as government demands for university accountability;

- Deeper understandings of the reasons that universities matter.

Such studies would contribute to a greater understanding of current university management dilemmas, and the leadership skills required to manage these institutions to successful outcomes, as the management challenges continue into the future.
6.6 Distribution of results

In the interest of broadening the knowledge of leadership in higher education, and the professional management of these complex institutions, this document will be distributed to the interviewees; it will also be available through the RMIT University Graduate School of Business and the RMIT University library.

The researcher and supervisor plan to publish a paper summarising the outcomes of the study.
Bibliography


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Appendix A

Chapter 4 - Results

Section 4.2 Theme 1, Question 1:

Internationalisation and Globalisation; additional quotations from interviewees:

“…. Australia has been lucky in as much as it has been the leader in the field; we’ve largely been out there doing things internationally and believing we owned this sector and now we’re suddenly discovering that in fact there are many other countries who are getting into this game as well” (i15).

“One of those (changes) is the globalisation of higher education; that is, increasing demand for higher education across the globe, and therefore the massification which is happening at different speeds in different countries of higher education; and combined with that the recognition by most economies, advanced economies and those that are still developing, that higher education is now a vital part of their overall economic strategies” (i8).

Increase in business culture; extended quotations from interviewees:

“The continuing professionalisation of general staff functions, including a lot of what you’d call business functions; not only marketing and promotion, but asset management, financial management, quality assurance, fund raising; all these have become associated with professional divisions, often replacing one person, or no function at all fifteen years ago, or even ten. General staff have increased much faster than academic staff. Across the system as a whole student staff ratios have blown out from about fourteen, fifteen to one to twenty-one to one in that time period, and if you go back a bit further it’s eleven to one to twenty-one to one” (i10).

Competition; additional quotation:
“….. we went from an environment where institutions were largely guaranteed in terms of their student load and finances, to one in which there is much greater competition for students and student income…. a university was a university was a university once, and now we’re all out there fighting for something which actually differentiates us from everyone else; and that’s a bit of a challenge because, by and large, universities are universities” (i15).

**Section 4.2 Theme 1, Question 3:**

**Internationalisation and Globalisation;** additional quotations from interviewees:

“….. as we’re causing a decline in quality of our educational system, and more of the students in Australia do things like the IB – the International Baccalaureate exam – they will look beyond Australia to do their education, which has not been the case. People I don’t think have come to terms with the fact that our domestic market is not captive, so I think that’s another little wrinkle that we’ve yet to think about; …. I’ve thought about it – obviously I’m thinking about it!” (i8).

“…. all of the institutions like to present themselves as strutting the international stage …. (but) you have to question whether 38 Australian universities can deliver research across the board that is of recognised international standard; I mean, I would have thought the answer to that is obvious” (i9).

**Stratification, Diversification and Competition;** complete quotation from i14:

“I think the split between research intensive and non-research intensive universities is going to get greater; …. three or four universities …. will break so far away from the rest of the pack that some of the other universities will quite reasonably say “well let’s just give this research thing up shall we, because we’re not getting anywhere with it” and the regulations will probably be freed up, I believe, to allow them to do that, as they have been in other countries. And that will mean that we’ll end up with more of a two-tier kind of a structure, where you will have big, old, rich, research intensive universities, which probably aren’t very good at teaching, and you’ll have really good teaching universities which have stopped wasting their money paying for bad research to be done” (i14).

**Research;** additional quotation:
“…. on the horizon for Australian universities …. (is) the implementation of the Research Quality Framework …. in …. 2007….. the actual re-configuration of all our research activities within the institution to comply with the way this Research Quality Framework is set up is going to be a huge amount of work” (i7).

Section 4.3 Theme 2, Question 4:

Requirement for professional management skills: complete quotation from i7

“There is a need for very effective …. strategic business planning …. Now, the changes are so rapid, and the responses (required) are so rapid …. that really you do have to look at placing the resources you have very strategically, and having three to five year business plans …. looking at very ambitious bold steps to take to try and shift things around in a direction that might prove fruitful. So, (it requires) strategic business planning, of a level that never before was necessary” (i7).

Marketing and brand management: additional and complete quotations:

“…. the whole issue of maintaining the sort of public identity of a particular institution – it’s got to come from the leadership; …. they may not be actually the spokespeople, but they’ve got to see that as important, and make sure that they work hard and maintain a clear public identity …. or the brand position” (i12).

“It’s becoming much more entrepreneurial …. I don’t think universities are very good at doing that at the moment - but certainly the push is there to become much more entrepreneurial in the sense of finding the market and finding out how to service that market, all within a given set of rules. And one of the things (for) the big universities …. is how to play that market in a context where they are in fact a huge bureaucratic structure which is a rule driven operation - to try and work it out” (i2).

Dual management systems: additional and complete quotations:

“…. having a management structure that retains the emphasis on traditional academic values on the one side, but also makes sure that there is effective management of what now is a billion dollar business. …. so that you can preserve and develop the academic leadership and the academic ideals of a traditional university, if you like, while at the same time in the modern context of an efficient business” (i16).
“The changes in the higher education environment .... have just increased complexity, .... and .... the governing bodies are feeling that complexity, .... and are themselves being expected to act more like boards, .... and (are) therefore often bringing a lot more .... commercial understandings to university governance; not in itself a bad thing. But, on the other hand, you’ve got the whole question of what I call traditional academic governance, the collegial system .... Now it is not a line management led, fast response system; and yet we’ve got one governance structure that’s driving fast response commercial outcomes, against (an) equally valid, equally important traditional governance system. I think that makes it a very tricky balance. .... No good vice-chancellor, who understands the roles of academic leadership, fails to understand those tensions, but managing them is – is interesting!” (i8).

“I don’t know what makes someone say “I don’t want to be an academic any more, I want to be an administrator” .... but anyone about to make that change makes it facing far greater uncertainty than they’ve ever had; because, in terms of leadership, I think you really do need to separate academic leadership from business leadership. I think the two are completely different.... and, to give you some context about universities in Australia, the average revenue for an Australian university in 2003 was $340million; the highest is at a billion, the lowest is, I think, $78million. If you took that as a line across corporate Australia in terms of the size of corporations, they would be in the top hundred! .... Collegiality is a fine thing, but sitting around trying to agree on a course of action with a committee of twenty people and inviting everybody’s input is no way to manage an organisation” (i4).

People management and creating an environment for people to succeed: complete quotations:

“Communication .... the biggest challenge of management and leadership in universities is to be able to communicate effectively with all the stakeholders; .... and particularly when you are in a time of relatively rapid change; .... being able to communicate why .... things are happening is a real challenge; and you might think that you’ve just got to tell people why. Well, you’ve got to tell them why numerous times, and in various different ways, it seems to me!” (i15).
“There’s this cultural leadership thing …. (the leader) who runs this place, is absolutely wonderful …. everybody knows what the tone of the place is, and what the right things to do are. So he’s created an environment, in which somebody in a lab up on the fifth floor is probably going to be making decisions appropriately, and that’s the way to run a large university …. It’s especially important when the places are just so big that you can’t run them. (The leader) …. can’t run the (remote) campus …. he can only create an environment in which (that) campus …. is going to be run by somebody else in a way that is consistent with the way he wants (his organisation) to develop” (i14).

Non-academic leaders selected from outside universities

“The biggest challenge is to grow out of the thinking that in order to lead a university you must be an academic; …. I don’t think that you do need to be an academic in order to run a university. You need to have an understanding of academia, but I don’t think you actually need to be an academic. …. If the direction we need to go is being more business minded, more customer focused, then it’s going to take a quantum change …. to get there. And I don’t think you’re going to get a leader, or a set of leadership skills in a university, from the standard pool …. I think a trendsetter university is going to have to look elsewhere” (i5).

Section 4.3 Theme 2, Question 5:

Management - financial

“The kinds of competition for funding, the need to become your own kind of profit centre – that sort of change is probably the major one. In effect, in a university now, university departments are essentially small businesses; not all that small either. Thirty or forty staff, three or four million dollar budgets – that’s a reasonable sized business” (i2).

“I was recruited to bring commercial expertise into the university …. to get the commercial systems in accounting, in reporting, in budgeting, in line with what an organisation of this size needs. The accounting systems were just not suitable for an organisation of this size. You couldn’t ever get a real handle on what was going on” (i4).

“The financial bottom line is the thing (you)’ll be judged by, isn’t it? If, you know, you’re blowing your budget, you’re not going to last very long” (i10).
Management – balancing a combination of skills

“One of the key consequences, and it subsumes a whole lot of other things, is that you end up managing risk. Here we are earning seventy-seven percent of our own income, so we’re out there in various markets; a big shift in international demand, a rise in interest rates, SARS, a whole range of factors over which we have no controls can now have a really major impact on our finances; and we still value long term scholarship. We provide tenure of a sort to our academic staff, we want to be an employer for the long run, and we’re trying to reconcile that with the fact that our income fluctuates all over the place; and with a Federal Government that increasingly is trying to drive us toward contract employment, AWAs and an industrial regime that is much more about a casual work force, global wages and a different set of industrial outcomes” (i17).

Section 4.3 Theme 2, Question 6:

People management

“Staff, always. That’s the one – you’ve just got to work at it; …. and it’s slow” (i12).

“…. it’s the people issues …. with people management issues, there is no book in terms of how you actually solve these, and so I think in any large organisation the most challenging issues are those around people and interaction of people, and I continue to tear my hair out and say “why can’t they all just get on like reasonable people and just do what’s the obvious thing to do?” But they can’t” (i15).

“It’s getting people who don’t want to hear the message to hear it” (i4).

Dealing with governments

“One of the most difficult to deal with, I think, is having to be so reactive to government policy changes …. to keep your eye on what you think the overall, clear, strategic objectives for the organisation should be, in order for it to be a quality education and research environment; …. and not get pushed off course by all the various other sorts of enquiries, or new pieces of compliance, or things that have to happen. So trying to keep those in perspective for the organisation, and to prevent them from de-railing – that is actually the most difficult thing to deal with” (i8).
“Well the one that I find most difficult is the market driven, government imposed diversification ‘thing’ … because in a sense it’s out of our control …. we don’t get enough recognition for the areas where we are good …. it’s very frustrating” (i13)

Communication and winning trust

“…. you actually have to win the trust of people; that what you and your management team are trying to do is for good reasons; that although they may not agree with what you are doing, they know why you are doing it…. there are no hidden agendas …. If you can build an organisation which is open and honest, and be prepared to share both its successes and its failures with everybody, then I think you have a mature organisation” (i15).

“…. I try and involve the next layer down from me of leaders in the faculty in the discussion of the changes to be made and the rationale for those; …. and then, it’s a matter of trying to develop a consultative process through that second layer of leaders with the staff concerned, and having lots of meetings with them, …. and trying to push it along to an outcome. So it’s a sort of guided consultation framework“ (i7).

Financial

“As far as I can see the major challenge really is in the revenue, because there’s no indication that government funding is going to increase, no matter what government is in power federally; and having a great dependence on fee-paying students makes one’s university …. very vulnerable to fluctuations in demand. …. at some point …. the line has to be drawn – no more student growth; and then the question will be, how do you pay for (salary) rises?” (i7).

“We’ve gone in a very short space of time …. from having one source of funding, which was the government, to having two, nearly three, which is the government, and students, and a bit of industry …. we haven’t as a system looked at that fund (raising) as an option in Australia. …. I think that’s a big challenge for the next five years, maybe it will take a bit longer, but the University of California has changed that in about fifteen years” (i12).
“Universities …. spend a lot of money on capital, and no new revenue really comes in as a result of those investments. Yes, we’ve got a new building because we’ve got more students, but there’s no more revenue coming in, or profit coming in, to continue to fund the capital. So, the more you spend on the investment, the higher your operating cost basically is …. it’s a huge dilemma. So, to not look at the place as a business, and recognise that need to execute your strategies soundly, that’s a risk” (i4).

Government intervention

“Possibly the one that’s emerging …. is the discussion that’s going on between the State and Federal Governments over who is going to be controlling what in the future, not only for universities but also for vocational (institutions). …. the whole opening up of the dialogue means that we may yet face an environment where State/Federal relations for universities change in the future, and that will be a new challenge, regardless of how it falls out” (i11).

“Clearly the university sector needs to be persuasive in getting reasonable outcomes out of the Commonwealth Government …. There don’t seem to be many votes in higher education so therefore the Commonwealth Government feels as though it can cut universities to the bone, and push them around, and it won’t affect election outcomes. If universities decide they’ve had enough of that and change it, then they could make some progress; otherwise they’re just going to be continually squeezed” (i6).

Management generally

“I think there are some real challenges there in lifting the quality of teaching and … people, and there are challenges in tenure. In the private sector if somebody isn’t performing, you get rid of them. The processes for getting rid of somebody in the university sector can be a nightmare. The universities that can afford it, and the vice-chancellors that have the courage, just pay people out …. But not many universities can afford that …. so there are major management problems” (i6).

“To be able to build …. a coherent quality leadership group, …. because you’ve got two sorts of leaders you are trying to find; …. you’ve got to keep that academic leadership group alive …. but also be able to recruit heads of school who …. share some of those qualities of academic leaders but can work together in a team with other heads of school …. I think it’s a difficult environment to build very good high quality, cohesive teams” (i8).
“Well, they’re going to be increasingly run by women, and that’s still got to work itself through. I think universities have been quite …. progressive in some of their employment attitudes; …. They’ve been quite pro-active in trying to advance women in senior positions …. you’re certainly going to find higher education much more dominated by women in the future than you have in the past” (i9).

“There is going to be an ongoing challenge to have our Council representative of all the issues that we’re going to have to face, to make sure that we’ve got a breadth of expertise” (i3).

Section 4.4 Theme 3, Question 9:

Combination of professional attributes

“Well I’ve got no formal management training as such. One of the great questions is do you actually need to be a successful academic? Probably the answer to that question is no, but it sure helps! …. If you actually have an academic background that is respected, particularly by academic staff, then you’ve at least gotten to first base; …. You also need to (be able to) go between juggling finance, human resources, research issues, education issues. …. You either need some formal training …. or you need to have informally been able to pick up skills in each of those areas; …. I’m not an accountant (but) I can read a balance sheet and know what looks right and what doesn’t look right; …. although you can have all of the financial advice, ultimately you’ve got to say ‘does this sound reasonable’?” (i15).

“You …. have to have had significant academic experience, in order to effectively lead academic leaders; …. it’s very difficult, otherwise. A lot of the way our academic schools operate, which is why we have the tension between the two sides, is heavily dependent …. on people’s embodied professional skills and knowledge, or academic skills…. and we rely on their intrinsic motivation and their intrinsic judgement around those things; and they don’t work with other people unless they perceive understandings of that …. Then …. you need the skills that you develop from a fair range of management experience. …. I think you’ve got to have had experience in devising strategy, in implementing it, watching what causes it to fail, in leading people, in dealing with difficult issues with people – I think you’ve got to have had significant management experience. Whether you’ve got that partially through management education experience or not, it’s a bit like the significant academic experience; I’m talking about what you acquire over time. I think if you don’t have those things you can’t manage these jobs” (i8).
“It’s different in different phases in different universities; and we’ve come from a phase …. which has been fairly managerial and autocratic, with less emphasis on the academic leadership. …. In the phase (that) I came (here) it was really important that somebody who was viewed as having academic credibility and a commitment to education and research for a core, and traditional university values, was most important from the professional point of view. Clearly, it’s important to combine those skills in the figurehead who is the vice-chancellor, with the managerial skills…..

Professional qualities? Well, clearly financial management; you would call that a professional quality. Very few university leaders are financially trained. Mostly they just emerge as leaders through personal qualities, and pick the other things up. Change management; clearly it’s a very dynamic sector. Vice-chancellors must be comfortable with change management. How do they achieve it? Well, in the end, it’s a mixture of the strategy and clarity of vision, together with the communication skills to persuade people to go along with you, because …. It is very difficult, if not impossible, to impose change on a university without the support of the people in it. You can do that in the private sector quite easily; people that don’t go along with it you just get rid of. You just can’t do that in universities. And that gets back to another issue, which is that, more and more, I think experience outside the university sector is valued by universities. Councils are always saying “we would like to find somebody with a blend of private sector and university experience, or a blend of government and university experience”. In the end those people, firstly, are hard to find, because there aren’t a lot of them. Secondly, if they’re any good, universities can’t afford them …. and thirdly, even if you could find them, very often the selection committee won’t appoint them, because even if the chancellor and some of the external members of the selection committee would like them, most members of the selection committee are still academics and they tend to look at the back of the CV, and see how many publications they’ve got” (i16).

“…. with vice-chancellors there’s been a trend in some places in the last few years to appoint people with very sophisticated business and management skills, who’ve been leaders of industry …. (but) for most university leadership positions which aren’t vice-principals, or the ones that are in the academic side of the university register, then at least some significant achievement in the academic area is a very useful thing. I won’t say that it’s necessary for all the particular functions of the job, but I think for credibility …. it’s very important. …. Managerial skills, or at least the capacity to develop them is necessary. I think it would be very difficult if you had no glimmer, no notion, of people management or change management” (i7).
University leaders as managers

“You have to be on top of the business operation really, you have to be able to work within that frame if necessary …. I don’t think universities have to be run by people who are generic or even technically trained only as managers …. clearly a mix is useful. Universities have got to blend the cultures; that’s one of their jobs. They’ve got to make that real in terms of their management structures too. …. I don’t think (an academic record is) essential for credibility. …. Some of the best business people are extremely intellectually literate, and …. that’s helpful; …. to be good at business, but narrow culturally and intellectually, is a disaster. For a university that’s the wrong person …. The people you really want are the people who can …. put down in a lot of places and operate within them. That’s quite critical” (i10).

“(University leaders) have to have a good understanding of the commercial world…… If they understand the relationship between provider and customer, bankruptcy and profit, operating a business in a sustainable way so you can afford to pay the salaries the next day, and can afford to continue to invest in new technology and innovate, if they’ve got that mindset I would probably rate that as the …. most important (professional) thing. …. (Under) that, if it’s in an academic area, they need to have some form of academic credibility, so that the academic boffins are prepared to be led by the individual” (i5).

“Managerial skills in most leadership positions in the universities are quite poorly developed. …. People don’t by and large get much training in being managers as they go up the system …. (The) thing that happens inside a university …. is that the people who are led don’t understand about working in groups, by and large. The amount of losing your temper, the amount of being flaming downright rude, and the amount of being thoroughly nasty that goes on inside a university is amazing as compared to any other business …. So ….. you have to understand the nature of plans, the nature of budgets and budgeting, the management of people” (i2).
“Experience as a public servant is a really, really good background for running a university because you can write, you can think logically, you can persuade other people..... in a way which works in a creative, academic kind of environment...... I don’t think you actually need to be an academic; but you need to..... really like, not just understand, what makes an academic environment tick. (You’ve) got to manage and create an environment in which (academics) can be successful and deliver a lot of very complex outcomes for a very wide range of generally fairly aggressive stakeholders.... the kind of professional qualities that you need and develop for senior public service apply to this” (i4).

“The skills that you need in a university leadership position are, at the highest level, skills that you need in any leadership position. You need to be able to set a direction and you need to be able to take people with you. .... A university leader has to take with them academics from a range of different disciplines, general staff, who are working in quite disparate areas. .... it’s no different from any other organisation and it’s no different from when you are the leader of a research group, or the leader of a school or the leader of a faculty .... but when you get to be vice-chancellor, the number of people that you have to take with you .... is much more diverse” (i13).

“.... you can pick up any of the 38 universities and look through the qualifications of people on the senior executive, and almost none of them have a business qualification. ..... they all come from academic backgrounds. .... I think if you want to run an organisation as complex and as large as a university, then you do need to have a different skill set. It’s not to say that commerce needs to take over from the academic side of things; there’s got to be a strong balance. ..... could you bring people in .... who’ve been selling cars or, white goods, or whatever else? .... I think largely the university system .... would tilt itself against those people. It (would) be the barbarians at the gate!” (i4).

Section 4.4 Theme 3, Question 11:

“.... I went off and did an MBA. .... Nowadays, I probably get more out of the occasional conference where people are sharing the most exciting things that are happening in their areas .... the collegial nature of universities means that they .... are quite happy to share all the latest and greatest and interesting things that they are experimenting with, and things that have worked and haven’t” (i5).
“For the first time I experienced a different type of people; people who talked about management by objectives, which was the big thing at the time, so I got interested. I’ve been to a few courses and every time I just come back knocked out by it – the common sense things that I’d learned in the hard knocks world (had) bags of theory behind them which was great! The Harvard course was one of the best things that ever happened to me in my life” (i12).

“….. I went and did the Company Director’s course. I consciously did that to get a broadly commercial perspective of the sort of governance required and the things that needed to be kept in mind. The other one that I did some work on is fundraising. I like most people, do not like asking people for money, but I know that I have to understand more in that area” (i8).

“Yes, in no particular order, budget management, of a more complex order than would be the case if you were just handed a budget, like in a government department, and asked to manage it; industrial relations, because that certainty of industrial relations system that provided all the cues has gone; and marketing and branding, which universities are still uncomfortable talking about, but you can’t be in the market without being visible to it. Fundraising, philanthropic work, relatively new territory for Australian universities; we’ve always done it, but on a relatively low level. Trying to take it up to a professional level is going to be a great challenge for us all” (i17).

“….the major (ones) are in terms of the financial issues. Universities today aren’t as simple as being able to balance the income and the expenditure; you need to understand how money is invested; most universities are involved in fairly complex financing schemes today. And the second one is in terms of human resources and industrial relations. I think you need to understand generally what the political and industrial ramifications will be of what you do” (i15).

“…..I’ve probably picked up quite a lot along the way. I have no formal business training, which alarms some people, but I do have people around me who have done a lot of formal business training. I don’t think it means that I have to be fantastic at understanding the markets, and whether to invest or borrow, or get a third party investor. I have someone else going through all that and working it out; I carry the responsibility for it at the end of the day, but, it’s good advice from capable people who are committed to their jobs and the institution; it works well” (i16).
“Clearly everyone’s had to do that – the further you go up the line the more that is the case. But I think, though that it’s been one-sided in the sense that, it’s been like “forget everything else you know you now have got to develop a generic manager’s business skills” … there is this notion that you abandon your old perspective, your old understanding and I think that’s quite unhealthy. It seems to me what you want to achieve is …. to add a new perspective rather than necessarily subtract the old one” (i10).

“….. I’m a lawyer with a business background, so for me I don’t think that that was something that I needed to develop. …. You do need to have business acumen – it’s absolutely essential. I mean, these are multi-million dollar organisations and you have to have financial and business management acumen; but coming from my background, that wasn’t a big change for me” (i13).

“…..I'm the opposite of that. I've had to pick up skills that I never thought I would need, or I've never had to use before; and it's the ability to teach people sometimes very basic principles. …. Some of the people who .... are running schools from three million to eight or nine million (have) had none of this training” (i4).

“…..I’ve only ended up being a vice-chancellor because I actually left the university, worked in the public sector for a period of years and then in fact went into the private sector for five years, …. did a unit in commercial law and I got a certain amount of experience in accounting and financial practice …. I had to deal with a lot of the realities of commercial life (which) have stood me in incredibly good stead in the university environment and makes me much more credible to council members, because the language is not foreign and I can work with more ease than if I’d come straight through an academic environment” (i11).

Section 4.4 Theme 3, Question 13:
“... one of the other things ... is putting up with the loneliness of being in a leadership position; because, it certainly does isolate you from your fellows ... you do after a while begin to be seen as the embodiment of that position, and that’s quite difficult if you’re a gregarious person ... getting out of the faculty to maintain the ongoing academic and disciplinary networks that you’ve had ... you do have to get out ... the thick skin; I don’t know whether I’d ever develop that. One of the consequences of the flat, collegial structure in academia is that you do have a lot of extraordinarily rude and hurtful things said to you by those people who don’t want to change in the ways that you’re suggesting ... you just have to talk that through with those that you are close to, and sort of express amazement at some of the things that get said; in a way that’s all you can do” (i7).

Section 4.5 Theme 4, Question 15:
Communication

“.... communication skills are very important, written and verbal” (i7).

“.... communication; everything is communicate, communicate, communicate” (i11).

“....people have to be able to trust your communication” (i8).

“.... an ability to write clearly is really important in this, and unless you can, you’re not going to get people” (i14).

“Communication skills are clearly absolutely vital; clarity of vision and the ability to communicate that vision” (i6).

“.... communication skills are very important. You have to have a message, and you have to be able to persuade people; so it’s communication and persuasion skills” (i13).

“You need to be very open and honest and consistent in your communications because it takes a long while for people to form a view. You are heavily dependent on cooperation and trust, as any leader is” (i8).

Section 4.5 Theme 4, Question 25:
Honesty and Integrity
“Integrity is absolutely critical in universities, and I mean, I think it’s important everywhere, but for some reason … it’s more important in universities than anywhere else; because so much is done on trust” (i6).

“…. integrity is really important, and I would hope that I would be remembered as somebody who always behaved with integrity” (i13).

“If you can’t be honest and ethical …. people will see through that pretty quickly and I think you’ll have a short career …. if you have the honesty, the candour, those sorts of things, you’ll go a long way …. People see through dishonesty and deceit” (i4).

“I’ve met a number of people in leadership positions in universities who are not honest, and I don’t even know that it’s a characteristic that’s valued highly. In certain circumstances, there are people in positions of leadership in universities for whom the end justifies the means. It would be nice to say that honesty – I mean, obviously it’s a desirable characteristic, but it’s observably lacking in some instances” (i9).

“Trustworthiness (or) “the appearance of trustworthiness” will probably more than halve the time you take to reach an agreement and it will give you the courage to do things that you would never be able to do otherwise …. the ‘appearance’ of trustworthiness is not because it doesn’t matter whether they are cheats or not, it’s because they can be trustworthy and still look a bit shifty, and being trustworthy is not much of a help! Unless they can project a trustworthy image, it isn’t going to assist them” (i3).

“…. there are a lot of relatively successful university leaders who don’t exhibit high degrees of honesty, it must be said” (i2).

Section 4.7 Theme 6, Question 15:

Honesty and Integrity

“…. the thing that they probably all need to develop a little bit…. is humility. It would get them a lot further than many other attributes, and they generally lack it, I’m afraid! …. people running universities generally …. think the world revolves around them” (i14).
“…. we like to think that we’re pretty special in universities, and I actually don’t think we really are …. although people in universities like to say “we’re going through a terribly challenging time …. I don’t think (it is) necessarily any more challenging than some other sectors have been through. So, I think you need to be realistic in terms of just how special you really are” (i15).

“…. universities are different because of that ambiguity …. between being public and private institutions; …. as a vice-chancellor (you) need to…. be comfortable in both environments; in the more traditional public funding environment …. (or) the more private commercial world of commercial in-confidence” (i13).

“…. you’ve got to start running – you don’t get two or three years to learn the job, there’s an expectation the VC will come in and – away they go; whereas I think twenty years ago, people were basically much younger when they took on leadership positions, and they were given two or three years to get going” (i12).

“Almost all senior management appointments in universities are now for fixed, relatively short terms, making the occupants almost as short sighted as business managers” (i18).

“…. the fundamental challenge …. is the challenge of actually steering this ship – that it is going to go in a certain direction …. the extent to which any one vice- chancellor is able to push the ship without destroying a lot of the internal cohesion – that is altogether, it seems to me, a major challenge” (i2).

“…. universities of the size we’ve got are almost impossible to manage properly. There’s management, and then there’s efficiency and optimisation and all those things. I don’t think we’re capable of doing it because I think that they are too big, and they are too fragmented to be able to actually get your hands around” (i4).

“…. people need cultural training, I think they need linguistic training, I just think that they have to be able to think outside their higher ed space, and the Anglo-Australian environment” (i10).
“....in some ways, I think developing formal leadership development programmes in universities .... has been a mistake... looking at some of the leadership programs in universities, I really think they’re the ‘wankiest’ of all .... I don’t know that they’re as helpful as they’re intended to be” (i9).

“.... there’s a broader challenge facing us which is about the relationship between the central university administration and the faculties .... with declining revenue it’s clear that there’s quite a lot of duplication .... but how do you haul back those responsibilities to the central level? .... it’s not my observation that the courses that are made available for middle level senior management in the university are .... actually catering to this need for some training in change management” (i7).
Appendix B

Chapter 5 – Analysis

Section 5.2.2: Funding Base

“The single most important change for the public sector has been the steady, remorseless decline in Commonwealth funding, which has gone from around 90% of the sector to around 45% - that’s a guess; those are broad figures. For some institutions, including this one, it’s now down at 23%. So, running a public institution where 90% of your income is guaranteed is a completely different proposition from running one where 23% of your income is guaranteed and this is the transformation of the system. This is privatisation from within. Essentially we are having to behave like private institutions, we are being treated like private institutions, in the sense that we are not getting the sort of money we used to get, and we find ourselves caught; Government wants to regulate us as though we are the public sector, but it doesn’t want to fund us. And so, the single biggest change is watching a series of institutions struggle with this dilemma, not of their making, but very much - can’t be avoided. If Government tells you “you must do these things, but we’re not paying for it” they change the rules utterly; and if you ask me what is the single most significant change, it’s that; and then everything that follows from that about how you manage, how you recruit students, how you spend your money, everything follows from the fact that we are essentially being required to operate as privatised organisations…. it transforms everything inside the institution. It’s the reason, for example, you’ve had the rise of the more full time professional management in universities, because once you’re operating in markets you’ve got to have a professional management, because it changes the rules. The collegial models are undermined by this, along with all our traditional understandings of how a university behaves” (i17).
“…. most universities in Australia are now less than half funded by the Government .... which means that you've got .... a set of management skills and structures which were developed for the public sector, which are good, but they're public sector skill sets and systems; (you) have then to go out into the market and try and win private clients with different motivations, and .... you can’t actually take systems that are developed for a .... world in which you are getting all your money from one source, and turn them into systems which work when you have to go out there and talk people into buying stuff from you. That’s why universities are generally so bad at marketing; because their .... habits and feelings about how things should be done weren’t developed in the kind of environment where it was private clients that were being approached” (i14).

“The level of scrutiny that has applied in recent years to ventures by (universities) is quite extraordinary, and the attention that is given by the media to any failures in these commercial sides of our operations is amazing.... it’s as though they feel more comfortable with universities in their traditional role, where they’re public institutions – but they’re not public institutions in the sense that they don’t derive their money (from government) – they’re public institutions in the sense that they are 'owned by ' the public through the State, but they’re commercial institutions on the other hand .... so there’s no encouragement to be entrepreneurial .... In fact, there’s a nervousness about it .... which means that you have to very careful” (i1).

“.... in terms of public funding .... a number of (universities) recognised that they had to drive their dependence on public funding down .... With that change in the funding mix you’ve seen institutions become much more innovative in looking at different ways to expand their revenue stream. So you’ve had things like the rapid increase in the number of international students. You’ve had the various attempts to establish controlled entities .... and many of those so far have finished as failures because institutions have not fully appreciated the difficulties of operating under corporate frameworks and in a lot of institutions there’s been active opposition to commercial identities; pretty well point to any institution and see that that’s happened” (i9).
“There’s been a greater focus on managing finances and resources well … whereas universities might have once had one or two financial experts - in fact, I surveyed the staff at (one university) around about 1990, and of the people I surveyed holding down financial management positions, at the time less than 5% had any accounting qualifications at all …. one of the trends that I’ve observed, there is an increase in the number of appointments being made to what you could only describe as wealth creating positions; Marketing, Directors of Development, promotion …. Not altogether surprising” (i9).

“…. a challenge would be to bring people in to really senior levels from outside of universities. It’s happening with Chief Financial Officers. I think more than half of those in Australia right now have come from commerce, and have come in in the last five years. It’s increasingly happening in the US as well, because people are realising …. we actually need to bring in these skills” (i4).

“Where I learnt most was being amongst a set of professional managers. People whose lives have been managing varieties of institutions, not necessarily universities, but who, whenever anything would come up would be able to say “okay, a)...b)...c)...d)...”; and having that set of professional people around is an eye-opening experience; so that’s the way I learnt how to do it” (i2).

“We designed and developed some very basic presentations on accounting for non-accountants; just about the basics of finance …. some of it is almost ‘Sesame Street’ stuff! Today we’ll do the letter ‘A’ which is for Accounting and Accrual and Accountability! It’s at a really low level. Some of the people who are trying to bring their skill level up …. are running schools from three million to eight or nine million, and they’ve had none of this training” (i4).

Section 5.2.3: Regulatory Environment

“…. They (government) have become, ironically, while reducing public expenditure, much, much …. more interventionist in terms of the amount of regulation and that is proving a significant challenge. I said in my inaugural address – “you cannot simultaneously float the dollar and fix it” – and that’s what they’re trying to do…..
It’s running a very large organisation with a significant budget — not just in a market that’s volatile, but in a very heavily regulated government environment – so, the two buffeting one another – and having to manage commercial outcomes as well as manage to government accountabilities” (i8).

“…. on a philosophical level, there is an ambiguity between universities as public institutions and private institutions in this sense: that because universities do receive some Government funding, everybody thinks they own them …. On the other hand, they are also expected to behave in a way that is more commercial …. So…. there is the ambiguity between universities as public and private institutions …. ” (i13).

“…. the private sector is moving in, big time. That will accelerate. Students will have a lot more choices, which is a good thing for students; but it means public universities which are expensive and relatively inflexible thanks to government regulation, will have an even harder time staying on track – tough times ahead” (i17).

“…. there’s a public nervousness …. it’s as though politicians, governments, bureaucrats, haven’t yet caught up with the new nature of universities. And although we say we think they would be in many ways more appropriately managed by someone who had a broader business background, many of our shareholders and stakeholders still view them as though they are publicly owned and operated entities, and so – what would you do to a Bill Gates, or somebody, in the role, when every step they took in the non-public arena is going to be watched and under strict controls and fear of failure? You have to be allowed to fail in some of these things if you are going to be successful in others. So I think …. there’s another important aspect of it as to whether the organisations are perceived as being ready and able to take on the role – in reality they’re doing it – but there’s not the recognition that there should be of the changing nature – changed nature – of university operations already” (i1).
“…. on a philosophical level, there is an ambiguity between universities as public institutions and private institutions in this sense: that because universities do receive some Government funding, everybody thinks they own them. Every community thinks that they own their university in their area; everybody thinks they own the major university within the State, and universities are scrutinized by the public. They often are in the news and in the newspapers and people will expect them, as public institutions, to be open and transparent. On the other hand, they are also expected to behave in a way that is more commercial ….. So…. there is the ambiguity between universities as public and private institutions …. more practically, universities have the challenge of being more market driven, of having to brand themselves, particularly newer universities” (i13).

“You have to be able to deal with the political system …. and you need to have on your Council people who can actually manage that for you; smooth the path in advance. So, on our Council, for instance, we have always had somebody who has represented the politics of both sides …. however you play your political game, you don’t want to have a friendship with one and be an enemy with the other … if you get the right people on Council they can do the political stuff for you” (i3).

“You’ve got to have been to Canberra, you’ve got to know a few of the other players in Canberra, you’ve got to feel that if you picked up the phone and rang the Minister’s private secretary, there’s some chance that the call would be taken” (i17).

“Developing relationships with government and the external community, that is something that I know a lot of vice-chancellors try and expose their deputies to, in an attempt to try and prepare them to become a vice-chancellor” (i6).

Section 5.2.4: Management Structure

“I’m still a great believer in the fact that universities aren’t businesses …. I think it would be a mistake to run a university like that – you’ve lost sight of the main game, which is that to be able to survive as businesses, you manage to attract and retain and inspire the very best academics; you are totally dependant on that, so, I think you do still require academic leadership as a key and core part of everything that you do at universities” (i16).
“…. they’ve had to become business-like …. the way they’ve been positioned as self-fulfilling quasi corporations and driven into a revenue raising role as their primary immediate function; and the way that’s been driven by government funding, that’s probably been the core for everything else that’s happened because they’re a business – it’s funny that our higher ed’s gone in a different direction to most worldwide higher education – it’s gone towards business. An unambiguous business model, although it’s not a completely business environment, and that’s really because of the way that we increased private funding, that public funding was decreased, and the universities – it was much easier to re-position universities in cultural terms and that’s the result” (i10).

“…. if you go back to the seventies and have a look at the top management structure of the university in the seventies you would have seen one vice-chancellor, and one or two PVCs or DVCs, and it was quite clear that that tier of people concentrated on the policy area. These days, you see a proliferation of DVCs across the board in all institutions, and almost universally, they see part of their job as having a significant line management responsibility. So you have a great layer of management at the top of universities that wasn’t there before ….

….One of the other things I’ve noticed is that university councils are starting now to act more like boards of directors, and whereas chancellors in the past were titular figures, usually of mature years, these days it’s far more likely they’ll be business people nearing the end of their career, but who will be far more hands on, and who will exert real power over the vice-chancellor; and I think that’s an alarming trend, and it runs counter to notions of good governance” (i9).

“…. in my faculty …. over the last twelve months …. I’ve had a new General Manager who has an MBA. Now he can do business planning …. and I think that sort of capacity is also increasingly necessary at the central executive level” (i7).

“…. it was around about 1990 that you saw the first reasonably well developed strategic plans being published by the universities; so now the strategic plan is just a core document that drives where they’re going” (i9).

Section 5.2.5: Leader Selection
“We want other things as well as academic excellence in the person being appointed; and I reckon that we’re probably almost to that point now that we’re saying we want somebody who’s academically credible, and can command the respect of the academic community …. - that’s a threshold test, but that’s not all we want. We want them to also have a demonstrated record of sound business performance and everything else, and by the time you get to VC it’s too late to learn it. It’s too big a risk, I think, to put someone in that role who hasn’t already demonstrated an ability to run a significant part (of a university) …. There is just too much money floating around in universities now for them not to have CEOs who are business astute …. and some of the VCs …. understand corporate structures and general major financial issues very quickly; because, they are bright! They pick it up quickly if they’re interested – it’s in some cases an issue of getting them interested!” (i1).

“I think it’s combining the academic leadership with the business management …. clearly, the skills involved in academic leadership are not necessarily those associated with business management; so, recognising where the skills are deficient and making sure there’s a management team that encompasses academic leadership and business management, getting that blending of skills, most of which, in most cases, won’t reside in a single individual” (i16).

“…. people who are career university managers have got to be able to get out and do other things, broaden their skills, then think, well I’ll then go back into the university world. I think that would do them a lot of good” (i14).

“….I think we have to realise that you can’t ask someone who is a specialist to all of a sudden become a generalist and have a wide array of skills, just because you put them into a role. I don’t think you can. But you also need to recognise that we continue to make demands on them, and at some point there’s got to be a buckling under the pressure” (i4).
“... it's important that the vice-chancellor has academic credibility and a commitment to core academic values; but, at the same time, it's paramount to recognise his limitations in the management area and surround himself with people who will be very willing to play the back up role at a high level in financial management, human resource management, all the other aspects of management. So, it's not a single person doing the whole job” (i16).

Section 5.2.6: Leadership Style

“... in my view, there is a real tendency for CEOs and vice-chancellors to over-estimate their influence; because most of what happens in their organisation will happen without them even knowing about it, or having an influence on it. What you change, or what comes across your desk, is a very small part of what actually happens, and so, you can get carried away! ... I have always believed that the leader fits the institution, and not the other way around. When you've got a big public institution, it finds someone who matches its values, well or less well; and often when the organisation changes the leader becomes redundant and gets moved on .... they need to keep changing, because, the things that make them valuable now will be liabilities in three years time”  (i17).

“... I don't see there's any way I could do this by edict.... it's a matter of trying to develop a consultative process through that second layer of leaders with the staff concerned, and having lots of meetings with them, but trying to not take too long in doing that, and trying to push it along to an outcome. So it's a sort of guided consultation framework”  (i7).

“... you actually have to win the trust of people .... if you can build an organisation which is open and honest, and be prepared to share both its successes and its failures with everybody, then I think you have a mature organisation”  (i15).
“I think that you’ve got to learn to give up a bit of control. You’ve got to be more willing to tolerate some rough edges, keep your sense of humour and encourage it in others, and to let things rip a bit and be willing to change the road map a bit. Be a bit more tolerant if the group takes the process in slightly different directions or at slightly different timetable than you immediately envisage. So it’s letting go a little bit; and for somebody who is a control freak like me, letting go is not an easy thing to do, and it’s taken me a while to learn that you get willing cooperation more if you let others have a sense that they have management either as a team or as individuals of what’s happening and you do let go a bit” (i11).

“I need to respect the people I’m working with on the staff .... if all the people in the university show that respect, then I think that you need to bring respect to the staff as well...

I try to get everyone believing in what (this university) is doing, what it stands for .... everyone, whether it’s the security man at the front desk or anyone, anywhere, any people, really proud of being part of (this university), and feeling that they’re doing something that is critically important” (i16).

Section 5.2.7 Employment of Staff

“Industrial rigidities mean that our staffing is aging and it’s very difficult to shift, the nature of the staff. You know, you don’t sack academics in the way or you don’t move them on in the way that happens in the private sector .... .... There are very few new young recruits coming into the system, and yet the student body we are now serving, has a very different set of expectations than we did as students .... our responsiveness to the students and student mix is still not adequate. .... We could get more flexible for students and we could get more responsive to the market, if we didn't have quite the rigidities we do in an aged staff .... it’s very hard to get more life, different ideas, people to think different ways and do different things” (i11).

“There’s .... been a conscious attempt to introduce more modern management processes, such as performance management or performance appraisal which is relatively new within the sector, and has, I think, flowed out of enterprise bargaining and a changed industrial relations scene. One of the other changes you’ve seen, probably in the last ten years, is that institutions have developed a capacity for terminating staff who no longer fit with their broad overall strategic direction” (i9).
Section 5.2.8: Management of Staff

“…. I had an interesting discussion with a staff member this morning, who said “when we talk about policy matters, we talk like colleagues; but when I have to interact with your office, I’m treated like an employee”. He was making the point that a vice-chancellor turns one way to academic staff, and treats them as peers and colleagues, and talks to them in that sort of language, and then turns another way to general staff, and they are managing a team, and he said a resource, they are treated like a resource, which I don’t think he meant harshly; he means that there are two sets of messages that go out. I’m sure that’s true. I don’t even notice doing it! He pointed it out, and I’m sure he’s accurate. He wasn’t saying this in a judgemental way, he was just saying there is a logic in it – this is a hierarchy, this big general staff, it is a hierarchy, it responds to hierarchy signals, it expects leadership to take the form of directions; and this is an academic workforce and it wants to be taken seriously on its own merits; it wants to be consulted about curricula and academic matters, and it expects to talk to you as an equal …. The way that the general staff are organised as a hierarchy means that you can get together half a dozen senior leaders, and discuss what you’re doing, and agree a strategy, and they can implement it. On the academic side, this university has nearly a hundred departments, twelve faculties, a much more diffuse management structure; you can’t meet with everybody once a month, once a week, and work through the key problems and agree on a route; it doesn’t work that way. So, with the academics, you have to communicate through the written word; you have to find opportunities for visionary speeches, where they can hear the vision and interact with it. We take all the heads and deans away once a year for three days to talk through what we’re doing together as an institution. So it’s leadership by exhortation; on the hierarchy side it can be leadership by instruction; so you have to have different sets of skills, different sets of behaviours, to get you to the same outcomes” (i17).
Section 5.2.9: Emphasis on Research

“…. non academic personnel see things very (similarly) to most public sector organisations, and even private sector organisations. They look at the data, they look at the rationality and they will move forward on a system; whereas academics come at it … not whether it will be effective to get good decisions and outcomes; they say “how can I critique this?” And you start from the point of view that they can always find all the problems for something and very often aren’t even interested in what the solutions are. And so you can have long meetings which talk in great intellectual …. verbosity but never get to an outcome, because that’s not where they start …. It’s an intellectual exercise of interest. It’s not an instrumental outcome to get a solution to a problem, particularly if the solution to the problem means that you’ve got to be a bit rough with the data, because you’ve got to move” (i11).

“….the Dawkins revolution was a very bold one, but it didn’t put the funding in behind the aspirations. So it created universities with teaching and research agendas and didn’t fund them for the research infrastructure and nor did it fund them in my view for all of the student needs that came in with mass education . 

…. the government’s messages about “we want diversity in the system, we want lots of universities of different types” in fact is a mixed message because at the same time, they keep coming in with funding incentives like the teaching and learning fund or research quantums, which are geared towards one type of university …. as if there were no different missions of the sort that ours is - and we all have the same aspirations for research. So, there’s mixed messages on diversity” (i11).

Section 5.2.10: Internationalisation and Globalisation

“…. there are issues like balancing opportunity and risk. I think if you are too risk averse, then the university just loses identity …. you have to be prepared to take risks, which are often substantial risks, to develop an identity for a good university. So for (my university) the risks have been around international campuses and international activities …. It’s the balancing of caution with a measured degree of risk taking, understanding the risks, mitigating the risks as far as possible and still being prepared to take them and I think that’s – it’s a high stakes sort of game that you are talking about; how many millions of dollars, potential long term success, for university risks” (i16).
Section 5.2.11: Increase in Competition and Differentiation

“…. the idea that the students are actually a paying customer …. I don’t think the University’s changed its attitude, I think the students there have changed their attitude over time, and now they are letting the provider of their education service know when they’re dissatisfied. And then being able to charge students directly for fees has been very interesting to see how the universities have approached this. All of a sudden they’ve got to try and work out how much they think they can charge in a competitive market for their programmes” (i5).

“…. if it was a sales environment and you were about to sign up for four years at fifteen thousand dollars a year for a degree, it’s a sixty thousand dollar transaction. House, education, car is about where it fits in …. If you went …. and approached any company and got a sales representative and said “I am about to make a sixty thousand dollar purchase”, they’d approach it a whole different way. We don’t have sales management. We have marketing management …. but we don’t actually have a sales function. We don’t have people who are accountable for the sales. I think you could change the way those things are done…. by having people who actually have skills in that area. But I would think for most people in the university, actually having a Sales Manager would be abhorrent – they’d be aghast! The students enrolled this year (didn’t) come back next year – we have no idea why they didn’t come back, none! Did they die? Did they go back to where they came from? Did they go to (another university)? We don’t know! …. you go into a commercial environment – the Sales Manager knows. …. we are looking for a hundred million dollars in fee revenue….. I’d be quite happy to get ten percent commission on signing someone up for $15,000 a year! I think I could make a very attractive business out of that!” (i4).

“…. twenty years ago …. the Australian universities had an understanding amongst themselves that they wouldn’t advertise courses in the newspapers …. and on television etcetera, etcetera…. (now) the adverts, well it’s just all over the place; you know, we have our schools liaison officers that go out and drive and speak to kids to come to our university, and we try to attract them …. And money, being out there all the time, trying to get money; can we get as much as everybody else” (i12).
“... one of the areas in which I know universities have a lot of interest is the area of cultivating alumni relations; because, of course, Australian universities which have never really had funding from philanthropic sources, look at North America, where there is significant funding for many institutions from philanthropic sources and think “well, we’d like to have that too”. Now that’s a whole industry in North America, and involves an enormous amount of work. Deans, for example, in US private universities, spend eighty percent of their time liaising with alumni, trying to convince them to leave money to the institution....

it has to be linked in with the ongoing activities of the faculty and the university.... in my faculty we just appointed an extra marketing person to start to set up the required database and forms of linkage and so on, but that will be a huge task for everyone.

.... I’ve got a good marketing plan and I’ve got good marketing staff .... we just try and put it in place, and so far we have got enough money” (i7).

Section 5.2.12: Time Management

“... people want to interact. They want to communicate, they want to tell you what they need, and are looking for, and you want to try and explain the world to them as you see it, and there is never sufficient time. So being really disciplined about how you use your time is very important, and I struggle to develop it; but it’s a never ending challenge. You don’t solve that problem; it’s just about maintaining the discipline and getting everything done, and not spending all day at your desk, which is easy to do. Getting out and walking around, being seen talking to people, hearing from them which is more important than talking; these are the hard things, just to have the time to do that” (i17).