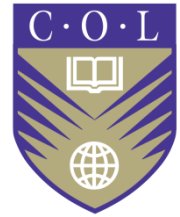


# *Creativity in Crisis: Leading the University of the Future*

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*Administrative Staff College of India*

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Management of Change: The Challenges Facing Universities*

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*Commonwealth of Learning*

## **Introduction**

It is a pleasure to return to the Administrative Staff College of India, an honour to be with such a distinguished group of academic leaders, and a privilege to share a platform with such a wise and experienced observer of the Indian higher education scene as Professor Arun Nigavekar.

Our conference topic is *Managing Change: The Challenges Facing Universities* and this contribution to the theme is entitled *Creativity in Crisis: Leading the University of the Future*.

Higher education is a diverse reality and universities are complex institutions. To avoid taking a narrow approach limited to my own experience, I have prepared these remarks with the help of two colleagues at the Commonwealth of Learning, Professor Asha Kanwar, our Vice-President, who was formerly our higher education specialist, and Dr Willie Clarke-Okah, who joined COL from the Canadian International Development Agency and took over the higher education brief from Professor Kanwar at the beginning of this month.

At the institutional level my co-authors and I can count between us some 17 years' experience of being a vice-chancellor in two countries; 12 years' experience as pro-vice-chancellor in four institutions; and diverse experience in other academic posts. We also share 10 years of involvement in higher education within multilateral intergovernmental organisations and 14 years of responsibility for such matters within a bilateral agency. I hope that this will give these remarks a broad and global perspective, although it does not, of course, mean that you will agree with everything we say.

In his address Professor Nigavekar will focus particularly on the Indian reality. Our task is to bring an international perspective to our discussions. We shall do this in two ways; first by examining some of the major global trends in higher education and ask how they might apply to India, and then by sharing some experiences of leading and managing institutions. You may think that context in which the vice-chancellor of a public university in Asia must operate today is unique, but you can learn useful lessons from other countries.

I return to our title: *Creativity in Crisis: Leading the University of the Future*. The Chinese ideogram for crisis combines the ideograms for danger and for opportunity. That nicely expresses the crisis in higher education to which we refer. Higher education must evolve in a fast-changing environment. Such an environment presents dangers but also offers opportunities. Your task as university leaders is to minimise the dangers and maximise the opportunities for your institutions.

Do not think of this crisis as a temporary aberration; simply a hill to be climbed before your university emerges once again onto the sunlit uplands of stability. Leading a university today requires you constantly to navigate a course between danger and opportunity. The crisis will be continuous. Creating the university of the future will always be work in progress. Your task is to create the systems that will enable your university to cope with continuous crisis, which basically means inspiring all your staff to see the future as an unfolding set of opportunities.

## The Paradox of the Knowledge Economy

Professor Nigavekar will talk persuasively about higher education and the knowledge economy, so before exploring some global trends we shall simply flag the paradox that the knowledge economy raises for the relation between governments and universities.

The use of knowledge has become the principal determinant of success for contemporary economies. Because universities are key to the creation and deployment of knowledge, governments today take more interest in universities than ever before. The paradox is that they are progressively less able to pursue this interest by controlling universities directly. They must increasingly guide national higher education systems at arms length through regulatory frameworks and quality assurance systems.

The reason for this change is the steady expansion in enrolments and the multiplication of higher education institutions, which seems to be an enduring trend. For the last forty years most projections of higher education enrolments in most countries have underestimated the reality. At the global level a forecast of 110 million students by 2020 will likely be reached by 2010. China doubled its enrolments in just a few years at the turn of this century. Although it has now slammed the brakes of expansion for fear of producing graduates who will not find employment, it seems likely that even in China public pressure will cause expansion to resume sooner rather than later.

In the democratic developing world, as here in India, enrolment growth is being driven by individuals who are fully aware of the emerging knowledge economy and the premium that it places on higher education. They are also aware of the great disparities in participation rates between countries. In OECD countries the age participation rate (i.e. the proportion of the 18-23 year-old age cohort getting tertiary

education) is now around 50%, whereas in India and other developing countries it is often less than 10%. There is a huge challenge of catch-up.

The developing countries facing the greatest challenge are those that established small, state-controlled university systems with no tuition fees in the days when only a tiny proportion of the population aspired to higher education. Even where their quality is poor such systems are hugely expensive relative to national wealth. In most such countries there is no prospect of expanding higher education or improving its quality at state expense given all the other demands on the public purse. Yet by providing free tuition and treating the academic staff as public servants such countries have created expectations that their governments are reluctant to disappoint.

However, disappoint them they must, because public pressure will see that access to higher education does expand, even if it takes different paths. You might reply that if higher education continues to expand then all existing providers must prosper. At the most basic level it is indeed unlikely that students will desert your institutions. But what happens if patterns of provision of higher education change in ways that make the reputation of your university decline and damages your ability to attract public and private funds?

We shall examine three important trends that are going to change the profile of the academic world (Daniel, Kanwar & Uvaliã-Trumbiã, 2006). Some of these approaches may impact on your institutions directly but all will affect you indirectly by changing the economic structure of the higher education system in which you function.

The three trends are first, an increase in private provision; second the development of cross border provision and third the growing use of distance learning, often using ICTs (information and communications technology). Let us examine them in turn, starting with private provision.

## Public Good, Private Provision

Higher education is both a public good and also a private good that gives direct benefits to the individuals who participate. By tradition, governments control public goods like emergency services and defence in order to extend their benefits to all citizens. Private militias are a sure indicator of the breakdown of civic order. But how far should the principle of public control apply to higher education? Past practice, principle, and pragmatism all argue against our treating higher education as a public monopoly.

Past practice reveals that private bodies, notably churches and foundations, were providing higher education long before governments took an interest in doing so. The purpose of state involvement, when it came, was to make higher education truly a public good by widening access to it.

The challenge of principle concerns the right role of government. In India and elsewhere there is a growing view that apart from services like defence, government is most effective when it monitors and regulates the provision of public services by others, rather than controlling them directly.

Demography and demand present pragmatic challenges. There are burgeoning numbers of young adults in the developing world and an increasing proportion of them will want education at all levels. This is also the era of lifelong learning. No government has the resources to pay for basic education for all from the

public purse and fund higher education throughout life as well. A choice must be made. Either higher education is provided inadequately by a public-sector monopoly or the demand is met by a combination of public and private institutions. This is a political dilemma for many developing-country governments, which have relied solely on a public-sector monopoly but now realize that such an approach is a serious drag on national development.

Comparisons are often made between pairs of countries such as South Korea and Ghana or Malaysia and Zambia that had similar levels of GNP forty years ago but have developed very differently since then. There are, of course, numerous reasons why South Korea and Malaysia have developed more strongly than Ghana and Zambia. However, part of the explanation is that the Asian pair promoted the rapid development of higher education sectors with strong private-sector participation, while the African countries relied only on the state sector and kept tuition free.

How can India and other developing countries best take advantage of for-profit private-sector higher education? The answer boils down to achieving a balance between accessibility for students, relevance and quality of provision, along with returns for the investor.

## The Price of Higher Education

The heart of the issue is fees. Fees are a special problem for those countries that made higher education free - i.e., totally subsidized by the state - in the days when only a tiny proportion of the population was expected to go to university. At that time entry to higher education was highly competitive, but many citizens believed - and still believe - that the combination of competitive entry and free tuition would produce equitable participation in higher education from all socio-economic groups.

Widespread research now shows that this is simply not true. The socio-economic profile of students in countries that charge fees whilst providing scholarships and loans for poorer students is more broadly based than in those that do not charge fees. This is a very important finding, and one that governments are only gradually finding the courage to act on.

Your neighbour Mauritius is an interesting case. As is common in many African countries, there are no tuition fees at the University of Mauritius. However a few years ago the government of Mauritius started a second public university, the University of Technology of Mauritius, with a fees regime.

This kind of move is important, because what the public sector does in relation to fees clearly constrains the private sector. Having a free public sector alongside an expensive private sector does not create an effective higher education system. As countries gradually introduce fees in the public sector, either because of a conviction that it is more socially equitable or because there is no financial alternative, the private sector finds itself on a more level playing field. This gives private institutions much greater latitude to set fees, which makes them more attractive as investments.

This in turn makes it easier for the private sector to build arrangements for need-based scholarships and loans into their fees regimes. Obviously it takes time to build up enough scholarship funds for admissions policies to be truly blind to student or parental wealth, but if private institutions are to play a major role in the expansion of higher education, they must be able to attract a diversity of people. Only then can they

truly claim that private investment in higher education is making its contribution to widening access and that it is thus contributing to the public good.

In widening access, private institutions also foster good relations with governments and the public higher education sector, thereby gradually reducing the scepticism of many governments about expanding the private sector. The net result will be that within a decade or two, private, for-profit provision, already estimated at \$350 billion worldwide, is likely to account for a larger proportion of higher education in the developing countries than it now does in the industrialized world.

Already much of India's professional and technical education is provided by private providers - and I shall not explore today the question of whether theirs are private-for-profit or private-not-for-profit institutions.

How will the private sector provide higher education to the developing nations? Much of it will likely follow traditional patterns of classroom teaching on locally owned campuses, but two other related forms of provision will have a much higher profile: cross-border offerings and distance learning.

## Cross-Border Higher Education

UNESCO and the OECD, in their Guidelines for Quality Provision in Cross-Border Higher Education, describe cross-border higher education as

higher education that takes place when students follow a course or programme of study that has been produced, and is continuing to be maintained, in a country different from the one in which they are residing. Cross-border higher education may include higher education by private and/or for-profit providers.

Those providers include not just conventional or open universities but also media companies, multinational companies, corporate universities, networks of universities, professional organizations, and IT companies. Nearly all cross-border higher education is effectively for-profit in the receiving country. Even when the originating institution is a public institution in its home country, it must make "excess revenue" - or profit - on its operations in other countries in order to sustain those operations. Few governments want to subsidize another nation's students when they are having trouble meeting the educational needs of their own citizens.

The term 'cross-border' acknowledges national borders and recognises the roles and responsibilities of governments for overseeing their national higher education systems. Furthermore, national sovereignty over higher education has been reinforced by the General Agreement on Trade in Services (GATS) of the World Trade Organization.

The GATS recognizes four modes of supply. First there is consumption abroad, where students travel to another country to study, as some of you will have done. Second, there is the presence of natural persons, which in academic terms means visiting scholars or teachers. We are more interested in the third and fourth forms of supply, defined by the GATS as cross-border supply and commercial presence, but better known as distance education and the establishment of branch campuses.

These are the forms of cross-border higher education of most interest to private providers. Open and distance education is a good way of reaching out to large numbers. Here in India, where you have the third largest higher education system in the world, you are using this approach at scale. Today 23 percent of your higher education enrolments are in distance education - in 13 national and state open universities and 106 other institutions, mostly public, that teach both on campus and by correspondence. The government's target is that by 2010, 40 percent of all higher education participation will take place through distance education.

Time will tell whether such a target can be reached. But for India to catch-up with its neighbours Thailand and Singapore, which have APRs of 20 percent and 34 percent respectively, it has to expand higher education massively and find even more cost-effective mechanisms for doing so.

Private cross-border provision must be part of the answer. Privately managed institutions, mostly locally owned, already account for over 75 percent of professional education there. Meanwhile, the number of cross-border providers in India increased from 27 in 2000 to 114 in 2004. But in light of India's potential student numbers, their role is still negligible. Moreover, their quality is problematic: a third of the institutions are not recognized or accredited in their country of origin, and an equal proportion of their Indian collaborators are not part of the formal higher education system either. Even when the foreign providers are universities, they are not in the premier league and have mediocre reputations in their own countries. Neither branch campuses nor franchise agreements have had much success, with the exceptions of 61 twinning and articulation arrangements that allow students to go to the source country in the final year and stay on for employment purposes. In summary, I doubt whether you see such providers as real competitors to your universities.

But this additional market of millions of students should be tempting for major providers. However, to make a significant contribution they must address the three A's of affordability, accessibility, and appropriateness.

## Affordability, Accessibility, and Appropriateness

Affordability is a major challenge. India is trying to transform higher education from an elite to a mass system aimed at the needs of a vibrant democracy. To succeed, cross-border providers must devise a business model that can take them beyond the elite to reach out to the masses, in order to realize the cost efficiencies associated with large numbers of students and to address the nation's educational goals.

A series of technological developments holds the promise of making the dramatic reduction in educational costs that a radical widening of access requires.

New methods of education have always attracted private providers. When Britain introduced the penny post in 1840, Isaac Pitman almost immediately started offering a correspondence course in shorthand, and private providers subsequently dominated the correspondence education industry. The next wave of distance education, led by the large multi-media open universities, was dominated by the public sector. In addition to widening access dramatically, some of these institutions also showed that distance learning can be of higher quality, as well as less expensive, than conventional higher education because it has to be developed and delivered in a much more systematic way.

However, the current wave of distance learning, often called eLearning because of its extensive online components, seems once again to have a special appeal to the private sector. This is partly because it has a cost structure in which a higher upfront investment is rewarded by lower marginal costs when volume is achieved. The access that for-profit institutions have to capital markets allows them to make those investments.

Very importantly, a growing number of teachers and institutions around the world are creating and sharing learning materials and courses, known as open educational resources for use on eLearning platforms. The combination of expanding connectivity and the growing reservoir of open educational resources is potentially revolutionary.

Such forms of higher education require access to technological infrastructure. Internet connectivity is particularly important yet the proportion of people online is only 4% in India. But that is changing very fast. Communication links are already altering the way that Indian villages function.

Cross-border providers often fail the test of appropriateness. Their subject offerings are limited and students with various cultures and languages follow the curriculum of the country of origin, with no recognition of social, cultural, and ethnic differences. Cross-border provision will become fully relevant only when it responds to country priorities, which requires strong partnerships between the overseas provider and local institutions--not just in logistics, but more importantly in determining curricular content, its relevance, and the methods of delivery. Are your institutions interested in such partnerships, either to export your programmes overseas or to import programmes through a foreign university?

The small role cross-border education now plays in India will not prevent its playing a major one in future. But to do so it must cut its costs and become more locally accessible and relevant. Emerging technologies could allow the for-profit private sector, in particular, to overcome these challenges.

## What about quality?

We have argued that as this century advances the private sector will develop a much larger role, a larger proportion of students will be engaged in distance learning, and higher education will increasingly operate as a borderless community.

How will the world ensure the quality of this increasingly vast enterprise? How are governments to protect their citizens from fraudulent providers and bogus qualifications, especially when they emanate from another country? ELearning is even more attractive to unscrupulous operators than correspondence education because they can close down a website more quickly than a post-office box. Cross-border higher education makes students particularly vulnerable to scams. How can we create an international ethic of integrity and quality assurance?

As higher education expands, governments' role will increasingly be to monitor and regulate it, rather than to provide it. Many developing countries currently lack quality-assurance mechanisms, and where they do exist, as here in India, they are not always properly equipped to cope with rapidly diversifying types of provision. However, India has robust views about the need for quality assurance and accreditation. It realizes that even if the change happens slowly, the General Agreement on Trade in Services has created an inexorable trend to increasing cross-border education supply. Governments will

best respond to this trend by building strong frameworks for regulation, quality assurance, and accreditation that cover all higher education provision within their borders. You already have such a structure in the NAAC and I pay homage to Professor Nigavekar who helped to set it up.

## Leading and Managing Universities

Having identified just three of the key drivers of change in higher education we shall conclude with some comments about leading and managing contemporary universities. Leadership makes a difference. Research shows that a key determinant of the quality and impact of educational institutions is the quality of their leaders: vice-chancellors, college principals and school heads. This finding is gradually being reflected in the processes by which vice-chancellors are chosen. Governments are realising that in an era when the health of universities is particularly important to the knowledge economy, naming individuals as vice-chancellors for political reasons without regard to their skills and experience as leaders and managers is not an intelligent policy - especially if their term of office is short.

You already occupy such senior positions. What advice can we give you? I offer five recommendations.

### Strategy

Your main task is to create a sense of common purpose in your university. This is called a strategy. Developing a good strategy means paying attention to both content and process. I find this simple quadrant helpful for illustrating this.

#### Ownership

		High	Low
		<b>1</b>	<b>2</b>
Content	Good		
	Poor	<b>3</b>	<b>4</b>

You can have good strategies and poor strategies. It is also vital that the people in the university feel that they own strategy because they helped to develop it.

Your aim is to create a strategy for the university that fits into the first box: it is a good strategy which the university community owns. You want to avoid box 4: a poor strategy with low ownership.

The real danger in a university is finding yourself in either boxes 2 or 3. Box 2 is sometimes called a consultant's strategy; meaning that it may be a good strategy but it has been developed without the involvement of the university community. Box 3 is an internally developed strategy that has high ownership but is a poor strategy - probably because hard choices have been fudged by horse trading and compromises to avoid inconveniencing anyone.



Your job as a vice-chancellor is to create a strategy in box 1 by a combination of top down and bottom up planning. From the top you must inspire the university with a vision of its future that fits the changing environment I have described. But you must also create a widely participative planning process that allows the university community to build a structure on the foundation of your vision. This can be done.

When I was vice-chancellor of the UK Open University I was fortunate to have a brilliant pro-vice-chancellor, Geoff Peters, a Professor of Systems, who organised a highly successfully bottom-up planning process in which the whole university, faculty, students and staff could take part. I am sure that the success of the Open University in the 1990s, during which enrolments doubled from 100,000 to 200,000 and it became one of the financially strongest universities in the UK, owed much to the quality of our planning. Such a process also allows the staff and faculty associations and unions to be a constructive force rather than machines for generating complaints.

I should add that this type of bottom-up process is also the only way of creating a culture of quality within the institution. Such a process gives people pride in doing things well and NAAC inspections are occasions for showing off the good work of the university rather than exercises in compliance with external requirements.

### Leading by example

My second piece of advice is to lead by example. In India people have a greater sense of hierarchy and deference than they do in the three countries where I have worked and you can turn this to your advantage. I give a simple example.

From 1984-90 I was president of Laurentian University in Canada and by the time I left e-mail was the main vehicle for internal administrative communication. When I arrived at the UK Open University in 1990 e-mail was not widely used in the administration. I let it be known that I thought e-mail was an excellent tool for speeding up and democratising communication and that I responded to e-mail messages myself. After a while I also let it be known that anyone who sent me an e-mail message could expect a reply within 24 hours, whereas anyone who sent me an inter-office memo would likely wait at least three days.

The result was that the Open University adopted an e-mail culture very quickly. Is there something that you can do to illustrate by example a direction in which you want the university to move?

### Showing faith in your university

I am always amazed when I hear vice-chancellors talk disparagingly about their academic staff, their students, and sometimes their institutions as a whole. I do not think you can do this job well - and you certainly cannot be happy doing it - unless you believe in your university, in its community and in the academic ideal generally. This does not mean that you have to delude yourself about the institution's shortcomings but it does mean displaying the trust and faith that brings out the best in people.

One way that I did this, in all the six universities where I worked, was to take courses from the university as a student. That is my third recommendation to you. It is perhaps easier to do this in an open university than in a university where you would have to attend lectures, but I strongly recommend it as a practice.

Apart from its other merits, it is by far the best way of finding out what the university's teaching and student support systems are really like!

## Informed opportunism

Most of you head institutions that are still striving to improve their reputations for teaching and research. My fourth recommendation is to do this by a process of informed opportunism - and I stress both words in that combination (Daniel & Bélanger, 1989). What I mean is that you should be on the lookout for areas where your university can leverage a good department into an excellent department or create a new centre that answers some regional or local need. I think it's fair to say that Indian universities have not usually identified strongly with the development agenda at the local level. It is time to do so. I have found that all parts of the university community are proud - even if a little jealous - when a particular centre or department becomes celebrated for its success.

Informed opportunism is an increasingly successful strategy because the knowledge economy is placing more demands on universities, regional and local governments have a new appreciation of their importance, and the big national universities that used to cover the whole academic waterfront can no longer aspire to do so and are dropping the disciplines in which they are not equipped to excel.

I take an example from Laurentian University, which is located in Sudbury, Ontario, one of the world's leading regions for metal mining. In the 1990s it was clear that to modernise this industry needed greater local intellectual support. Furthermore the University of Toronto was losing interest in Mining Engineering which no longer fitted its profile and attracted few students. The stage was set greatly to expand teaching programmes in mining and to build excellence in research and development. The governments of Ontario and Canada supported this move, notably by moving the Ontario Geological Survey from Toronto to the Laurentian University campus in Sudbury.

When I left in 1990 Laurentian University had no Ph.D. programmes. Today, thanks to the seeds that we planted in the 1980s through the policy of informed opportunism, it has six Ph.D. Programmes and has just opened a medical school. This is also a reminder that vice-chancellors must work in a long term perspective. It may well be your successor but three who reaps the academic benefits of the seeds that you plant today.

## Government relations

This brings me to my fifth and final piece of advice. Give government relations your full and conscientious attention, even when the government that appointed you changes. Your accountability to government does not mean you have to be obsequious in bending to its every whim. Indeed, your colleagues will expect you to defend the legitimate academic independence of the university. This is easier if you remember that, in the knowledge economy, there is much that the university can do to help the government achieve its aims for economic, social and cultural development. My example from Laurentian University made the point.

## Conclusion

Earlier I said that leaders make a difference to universities. One of the most successful university leaders in Canada in the last decade was Professor Dominique Abrioux. He took over as vice-chancellor of Athabasca University when its fortunes were at a low ebb - there were even rumours government might close it - and transformed it into a highly successful and respected institution. Recently he summarised a study of single- and dual-mode universities in Canada (Abrioux, 2006) by sharing the following lessons, which I pass on to you as our concluding statement.

Professor Abrioux stressed:

- the primordial importance of relationships with governments
- the importance of relationship building with other institutions
- the double-edged-sword nature of inter-institutional collaboration
- the importance of cultivating communities of students and alumni
- the need to ensure that governance structures maximize institutional autonomy, credibility, and flexibility
- the importance of the academic staff for the university's reputation
- the importance of increasing market share through product differentiation
- the need to develop and entrench scalable models of programme development and delivery
- the importance of leadership.

Reflect on this advice remembering that your context is unique as are the crises you face. Being creative does not mean slavishly following formulae. However, we hope that some of the principles we have explored will empower you and enhance the creativity that you bring to the transformation of your institution.

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