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CORPORATIZATION OF UNIVERSITIES: PROMISES AND CHALLENGES FOR COMMUNITY ENGAGEMENT

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Corporatization of universities is a widespread phenomenon that encourages universities to thrive without public funding. With corporatization, universities that enjoy public funding are likely to see a drastic cut in the funding sources. Ideally, this major reduction in public funding should be compensated by private funding sources. By implication, the public universities will need to come at par with the private universities in terms of managing student expectations. In UK, Lord Browne's education review team clearly states:

“We are relying on student choice to drive up quality. Students will control a much larger proportion of the investment in higher education. They will decide where the funding should go; and institutions will compete to get it. As students will be paying more than the current system, they will demand more in return.”

(Willetts, 2011)

While corporatization seems an inevitable move in many countries that followed the path of liberalization, opinion on its positive aspects remains divided. It is believed that although universities can do much more with the new economic freedom, they may face unprecedented challenges that could lower the quality of teaching as well as research. This paper explores the following three issues that universities face arising as consequences of this phenomenon.

1. **Faculty-Student Relationship:** Perception of student as a client and customer and its impact on course delivery
2. **Perception of research:** Research as a product-oriented activity and its impact on pure research
3. **Linkages:** Community and industry-led teaching and research practices and its impact on the status of universities

Faculty- Student Relationship

As can be seen from a number of reviews including the one quoted above (Willets,2011), private universities will face an additional burden to manage student expectation. There will be a pressure to view students as customers or clients, and to perceive faculty as service providers. The quality of service will be viewed in terms of an effective supply mechanism that can cater to student demand. A number of intended and unintended effects of the newly conceived faculty-student relationship have been pointed out, [Brennan and Bennington \(2000\)](#), argue that this paradigm has a useful purpose as long as the term ‘customer’ is applied in a broad way as anyone who uses the services of another. In this sense, teaching and learning can be viewed as market able products and as objects of strategic management. One aspect of this approach is that it urges universities to focus on perfecting a ‘customer value proposition’ ([Porter, 2007](#)) Some scholars however observe two unintended effects that are widespread in private university sector.

First, delivery of knowledge will need to be made flexibly so as to cater to the diverse needs of the students. Although flexible learning appears to be a sound pedagogical approach, the complexity of flexible delivery as pedagogy, a marketing tool and also a form of work organisation is rarely acknowledged ([Sappey and Bamber, 2007](#)). When universities are hard-pressed for funding, it is more likely that flexibility could be used more as a marketing to enroll a larger number of students to attract more revenue. In universities that are publicly funded, high-caliber students would desperately seek places in coveted universities. In the privately funded universities, the scenario would be drastically different. If salaries and research grants depend on student fees as a source of revenue, it is quite likely that the universities would be seeking students by advertising ‘flexible’ delivery as a comfortable option.¹ Many of the flexible learning packages go against the fundamental rules of curriculum design and merely try to work on the basis of a narrowly interpreted demand-supply law. ([Sappey and Bamber, 2007](#); [Healey, 2008](#))

Secondly, more and more universities are likely to make use of student-satisfaction ratings to appraise faculty members for promotion and tenure. This use of student satisfaction ratings ([Manley, 2001](#)) could encourage some faculty members to employ flexible techniques at unwarranted times and undesired ways. In practical terms, ‘flexibility’ may be wrongly (but

¹ Corporatized universities in Singapore and Malaysia have escaped this implication since they are still publicly funded to a large extent. It is not immediately clear, however, how long such funding would continue.

conveniently) interpreted in terms of pedagogically unwarranted guidance accompanied by grade inflation aimed at flattering students. Some faculty members and some students are likely to work with each other on a tacit understanding based on a concept of disengagement. They might encourage each other not to challenge each others' positions thus creating a zone that is comfortable for all parties. Such an agreement would lead to loss of learning opportunities since university education may not take place in the absence of a learning challenge. Learners can only learn where they need to struggle in their attempt to discover learning.

Gosling and Gower (2011) rightly point out that the “learner may not be the best judge of whether their learning environment is satisfactory”. If a teacher or an institution takes decision related to content, delivery, or approach based on learner preferences, it actually might be against the learner's benefit. For instance, the learners may tend to avoid an entire subject or an approach to learning the subject that is complex or uncomfortable. Philosophy and pedagogy would however dictate that subjects should not be dropped merely because they are complex and teaching-learning approaches should not be chosen on the basis of their comfort level. Some optimists however suggest that at least some students are discerning customers. They would be able to take a long-term view and would be able to make decisions that should help them in the long run. If this does not happen, then “grade inflation and syllabus distortions will bring the very status of being a graduate into dispute.” (Gosling and Gower, 2011: 65) Ferdinand von Prondzynski offers a graver warning:

“...students sometimes [see HE] solely as the route to a formal qualification to establish their careers, industry as a way of providing specialist and sometimes quite narrow skills, and governments as a way of keeping people off the dole queues. The educational character of education is sometimes lost in all this and needs to be re-discovered.”

Research as a product-oriented activity

Despite the strong insistence of academics to enhance a thriving culture of pure research (Ladyman, 2011). the idea of assessing research according to its industrial and economic impact is likely to be a part of most faculty evaluation programmes. Corporate entities would like to present performance objectives in measurable terms. Thus, research performance in most corporate universities is assessed in terms of measurable indicators such as number of

publications and its impact in the context of accepted impact factors. (Cave, 1997) Researchers who are able to prove their worth in terms of the impact factors may be given monetary incentives. There is concern in some quarters that any such assessment approach is likely to partly discourage disinterested curiosity and inquiry which forms the core of all pure research. Another concern is that the division between research and teaching fields will be furthered.

Ozawa and Nakayama (2009) describe this issue in the context of Japan where through the establishment of four Focal Fields², intellectual property divisions are given priority in the distribution of both human and material resources within the universities. They maintain that even basic educational and research fees are distributed according to the amount of outside funding procured. As a result, researchers strain to make their own research field relevant to the four Focal Points. The writers tend to agree with other researchers that such approaches can be detrimental to the positive developments where research is viewed as an open inquiry.

There is also the challenge of increased costs. There is evidence of severe cost pressures across the teaching and research activities in some countries. (Russell Group, 2010) Overall, there seems to be a great deal of hesitation among academics to welcome the idea of assessing research according to its likely social and economic impact. Institutional processes such as peer review, open exchanges, and analyzing research performance based on the measurement of impact factor may help foster certain kind of research, but are perceived to be detrimental to pure research that is of essence. Ladyman (2011: 43) speaks the mind of many when he states that “the idea that one of the greatest achievements of collective human endeavour, that took millennia to evolve through the advancement of our greatest minds is somehow going to be enhanced by the research councils...would be laughable were it not so counter to the national interest.”

Community and industry-led teaching and research practices

Many of these challenges stem from the fact that university education in general has not done very well in terms of making the graduates employable. Although the demand for graduates

² The four Focal Fields are: 1. Betterment and exertion of humanness/human power – education/culture, science and technology, IT; 2. Attractive cities and regions filled with individualism and ingenuity; 3. Fair and secure aging society and policies dealing with the decreasing childbirth rate; 4. Construction of a cyclical society, response to global environmental issues.

has consistently grown over the last decade, there is a greater mismatch between the knowledge the graduate acquire and the competencies needed on the job. The employers who need a direct relationship between the industry needs and their curriculum are likely to exert more and more pressure on the universities. The pressures will come with research funding and offers to set up labs or even campuses within the existing set-up. On one hand, this could be a welcome development since it will bring a win-win situation for the faculty, the students, and the stakeholders. However, the social and economic needs of the nation are likely to be defined in an extremely narrow and short-sighted way. We are likely to venture more into ‘training’ at the cost of abandoning a wider base of ‘education’.

Related to this is the phenomenon of communities taking over lead positions in universities. The apparent nature of such relationships is commendable due to its emphasis on universities maintaining closer relationships with local communities. However, there is always the possibility of dominance of industry-oriented research and a narrowly localized shaping of the curriculum. (Bok, 2003). It needs to be accepted, however, that this contribution by industry and communities is likely to increase manifold in the near future. As demand for complex knowledge and higher skills increases, more diverse connections will be made between universities and the industry. (Clark,2011). Universities therefore need to focus more on the potential opportunities that such connections are able to offer. The opportunities for the sector were succinctly expressed in a McKinsey report:

“Traditional debates about education have focused on its crucial role as a public service, increasing skills and ensuring fair opportunity for all...But if we view education through a different lens – that of an industry – then the education sector has many of the characteristics of a very promising growth opportunity.”

(McKinsey, 2010)

What perhaps comes as a solace is the realization that universities are no longer just a part of the education sector. They play a central role in the growth of innovation, technology, and economy. Many countries are thus putting universities at the forefront of innovation. Among other countries, USA, France, Germany, and Australia have announced several initiatives that include budget increase and boosting the growth in university research. (Aston and Jones, 2011).

Some academics therefore believe that despite the apparent contradictions, the idea of universities working in tandem with the industry does make considerable sense. This is because this approach to industrial engagement is key to economic growth, and universities can no longer be seen to be merely at the receiving end when it comes to such growth.

Conclusion

It is of course possible to conclude this discussion on an optimistic note. It can be said that some universities will still be able to handle these challenges and will emerge stronger as new-age institutions. There seems to be a general consensus that universities will continue to survive and prosper in the new contexts. Opinion is however divided whether universities will continue to change lives and will continue to remain a pre-requisite for the vibrant economy.

Technology and the use of e-learning will also put pressure on conventional universities to deliver their content in more economic ways. As more and more course content will be available online, the intrinsic value of learning through campus living will diminish. Universities will have to find new ways to make the best use of contact hours and face-to-face settings.

The period ahead for universities in particular and for higher education in general will be one of change. Whether we see it as a 'consumer revolution' or as an inevitable effect of liberalization of economies, universities will undergo considerable painful changes. Contradiction and confusion will reign creating some times of turmoil. In these processes some of the traditional goals of higher education will be lost and some will be re-created. A re-thinking of higher education can only take place when we have some sense of these recreated, redefined or newly found goals. Until then universities and academics will need to debate the agendas put forward by the different stakeholders and focus on the intrinsic as well as extrinsic contradictions among them.

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