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The Changing Entrepreneurial Nature of the Educational Organisations – Some Thoughts

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ABSTRACT

Change within organisations is about ensuring the control of external and internal change variables that affect organisational effectiveness.

This paper briefly evaluates the key variables of change in organisations and its management. The perspectives form the basis of a brief review of strategic organisational change within a UK university. The intention of the authors is to use these contemporary theoretical concepts to examine how a university has adopted an entrepreneurial approach to sustainable growth within an environment of constant change.

Keywords: Change Management; Entrepreneurship, Higher Education

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1.0 INTRODUCTION

A feature of today's management literature is the constant growing emphasis on organisational change, which argues that organisations must change in order to survive. Popular management literature (Voropajev, 1998; Bresnen et al, 2005) shows how managers are being pushed to transform their organisations from bureaucratic, hierarchical structures to flatter, more flexible structures based on project teams. There is however much evidence (Bresnen et al, 2005), which suggests that a large-scale organisational change can stretch management skills.

Institutions of higher education in the UK have undergone massive transformation over the last two decades. The change has taken place due to a decline in public funding, increase in global market demands, competition, and technological advancement. These changes (in the operational environment of UK higher institutions), has led to a demand for these organisations to become self-sustaining. This is particularly important in an increasingly competitive and expanding international education market (Parker 2002). Due to the need to adapt to the ever increasing competitive nature of the industry, learning has become a demand-driven business activity with the role of academics becoming ever more entrepreneurial as they are forced to deal with a continuously expanding, and more diverse and demanding student population. To meet these challenges, universities are increasingly enhancing their entrepreneurial capabilities (Malhan, 2006) through various strategies which include engaging in more external partnerships with other educational and industry establishments, aggressive recruitment of foreign fee paying students and the increase in the use of new technology.

The new entrepreneurial environment higher education institutions are now operating is global, multidisciplinary and highly competitive. It also involves an evolution of new operational and structural configurations to be established with the organisation while at the same time relationships between and among nations, peoples, cultures, philosophies, values and governments (Jackson 2004), is also enhanced. It is also important to note that in order to enhance their entrepreneurial operations, there is also a need to pursue new approaches to governance, management and educational leadership. Compared to other universities, the post 1992 universities have peculiar characteristics which may cause problems adapting to the changing nature of the UK education industry. According to Sporn (1999) these problems arise from the variety of interest groups influencing decision making, the dual control system of faculty and administration, and the definition of leadership roles within these two conflicting schools of thought (i.e. faculty and administration). Consequently, in order to be successful, the implementation of change within the post 1992 universities requires the consideration of certain variables which this short paper intends to explore.

2.0 STUDY OBJECTIVES

This paper focuses on variables impacting on the implementation of change in a post 1992 UK university (Northumbria University). The university at present has implemented an aggressive growth strategy in order to increase its international student recruitment, grow its overseas franchises and expand its distance learning provision. To explore these strategies, key strategic factors are identified and evaluated would need to be considered in order to support the successfully implement change.

In order to support our study, we chose as a methodology the use of practice-oriented case study which has been successfully used in similar studies completed by Maguire and Ojiako (2007; 2008) and Ojiako and Maguire (2008).

3.0 BACKGROUND TO UK HIGHER EDUCATION

The Higher Education system of the UK takes place in a wide variety of institutions. The three main types are universities, Higher Education colleges and further education colleges. Higher Education courses are generally above the standard of A-levels or National Vocational Qualification Level 3. They include

foundation and first-degree courses, postgraduate courses and Higher National Diplomas and Certificates. Until 1992, there were two kinds of Higher Education providers in the UK, the Universities and the Polytechnics. The Polytechnics were tertiary education teaching institutions in England, Wales and Northern Ireland. Although polytechnics do have enviable achievements (Table 1.0, below), they were generally ‘owned’, by local authorities and more oriented towards teaching more vocational oriented courses.

Table 1.0, Implications- Accomplishments of the Polytechnics before and after 1992

Variable	Achievement
Breath of Provision	Educated and still educate more than 80 percent of the “mature students”.
Flexibility of Provision	Pioneered part-time and “sandwich” courses, where students alternate jobs and do academic work by being first to introduced American-style modular degrees.
Provision of opportunities to minority groups	Provided new opportunities for women, members of minority groups and people without the secondary school diplomas needed to enter some of the traditional universities.
Community involvement	Closeness to communities and the strong links to the industry, enabling students to get hands-on experience.

By 1992, the government recognised that the difference between Polytechnics and Universities had become confusing. There were also financial pressures as part of the governments overall market-oriented reforms centered around ceasing funding of polytechnics (through local government authorities), due to the changing economic situation within the country. The result was to allow Polytechnics to change their status (if they wished) and become Universities. The Act also provided for the creation of the bodies to fund Higher Education in England (HEFCE) and further education (FEFC) in Scotland and Wales.

The effect has been that as majority if not all former UK Polytechnics transformed to become universities. This transformation has also meant that these institutions ended up losing their traditional sources of funding from local authorities.

Academic degrees awarded through the Polytechnics between 1965 and 1992 were validated by the Council for National Academic Awards (CNAA). This organisation was chartered by the government to validate and award degrees and to maintain quality standards throughout the country. A CNAA validated degree was generally considered to be equivalent to a university degree.

4.0 OVERSIGHT AND QUALITY-IMPLICATIONS OF FUNDING CHANGES

Although subject to rigorous oversight by the CNAA, polytechnics were sometimes perceived as ranking below universities in the provision of quality Higher Education due to their lack of independent degree-awarding powers. They were also not research oriented. Funding was through the local authorities who had sole responsibility to determine overall strategic direction of the polytechnics. The effect was that there was no need for enterprise within the former polytechnics as they did not need to bid for funding from the various research councils. One of the impacts of these changes is that as Polytechnics have gained university status, they have had to struggle with changes in funding and the need for a more entrepreneurial outlook to income generation. In order to cope with the loss of their traditional sources of funding from local education authorities, most former polytechnics have come to depend (perhaps too much), on student (especially foreign) fees as the main source of their income.

5.0 THE CONTEXT OF ENTREPRENEURIAL CHANGE AT NORTHUMBRIA UNIVERSITY

The current strategic change project began in 2002, following student applications declining year by year over a five year period. At the same time, during this period, the organisation went into a financial deficit of 4%. An audit by the governors of the university determined a multitude of problems that needed addressing. In response, a change programme was initiated by the university commencing with the re-branding and restructuring of the university. This was followed by the establishment of a new vision, mission and strategy (Fidler, K. 2006). The strategic scope was set to 10 years and included plans to increase student numbers (national and international) and turn the financial situation around.

Table 2.0, Growth Targets

Targets	Finance Health	Costumer Satisfaction	Reputation
Steady Growth of —2% above inflation	X		
Maintain target 6% surplus	X		
Manage staff cost to —58% of income	X		
Develop high quality student market —1.5% p.a.	X		
Diversity of income sources	X		
Reducing bureaucracy and time spent in committees	X	X	
Maintain overseas and EU student numbers	X		X
Improve Quality of our offer		X	X
Maintain and improve conditions for students, student centred services and support		X	X
Maintain and improve facilities		X	X
Commitment to research	X		X
Development of students and staff		X	X
Further Campus estate development		X	X

The following above table 2.0 (above), demonstrates the growth targets identified by the university as part of its re-structure programme in 2002.

6.0 SITUATIONAL VARIABLES AND INTERVENTION

Situational variables which have been previously explored in studies by Yerbury (2005), Williamson (2006) can affect the choice of a change implementation strategy. Successful change strategies are those that are internally consistent and compatible with key situational variables (Kotter and Schlesinger 1979).

In their earlier studies, Yerbury (2005), Williamson (2006) identified dominant variables which confront complex organisations such as universities that are looking to change. These variables include clients, systems and technology, scholarly communication process, learning environment and the challenge of the academic profession response to change.

Interventions available during the change implementation may focus e.g. on people and the processes through which they accomplish organisational goals (Cummings and Worley 2001). There is no easy formula to identify the most effective intervention. There are also factors that can influence the sequencing of interventions, such as the purpose of the change, the organisational politics, their impact on the support for different interventions, the need for an early success to maintain motivation, the stakes involved and the causal links that affect the dynamics of the change.

7.0 CHALLENGES AND THE IMPLEMENTATION OF CHANGE-THE CASE STUDY

Northumbria University with deep roots in the North East region of England has its beginnings in three regional colleges: Rutherford College of Technology, the College of Art and Industrial Design, and the Municipal College of Commerce. These three colleges were amalgamated in 1969 to form Newcastle Polytechnic. In 1974, the City College of Education and in 1976 the Northern Counties College of Education were also incorporated into the Newcastle Polytechnic. Newcastle Polytechnic was transformed into the University of Northumbria at Newcastle in 1992 (which became possible under the Further and Higher Education Act 1992). In 2002, the trading name of the university was simplified to Northumbria University. About 29,500 students are currently studying at Northumbria University (Fidler, K. 2006), across a wide range of full-time, part-time, Distance Learning (DL) and short courses. The university runs a largely modularised curriculum. Of its 29,500 students, about 16,000 are full-time students primarily funded through the Higher Education Funding Council for England (HEFCE). The University's academic structure includes 11 subject areas in 11 Schools including a Graduate School. In addition to teaching activities the university offers business services like consultancy, applied research, project management, special courses, and e-business support. These services are mainly provided through the Northumbria Commercial Enterprises (the University's entrepreneurial unit).

In order to achieve desired strategic goals, we explore the situational variables that are likely to influence the change implementation process within the university. These variables which are to be discussed in

more detail includes:-

- Growth Strategy
- Entrepreneurial Activities
- Sustained teaching quality within the context of globalisation
- The student as a customer

7.1 Growth Strategy

Although overall student numbers are rising, competition for students by UK universities are increasingly getting fiercer due to an expanding number of universities exploiting technology to attain a global reach. These universities such as the University of South Africa (UNISA) with over 200,000 students world-wide and the Allama Iqbal Open University (with over a million students world-wide), are increasingly in competition with the university for the declining home student and also for the well sought after foreign fee paying student. For this reason, to survive and also achieve its mission statement, the university is emphasising the generation of income as part of its growth strategy. The need to generate income has also resulted in the university withdrawing courses and programmes that have struggled to recruit and retain students. The university has also re-emphasised its commitment to excellent teaching which is supported by applied research which informs teaching.

Overall, although this strategy clearly has attainable benefits, there are also quality related problems. These concerns will continue to linger if it is perceived that provision of courses and programmes are solely *student-led*, i.e. determined by popularity with students.

7.2 Entrepreneurial Activities

Another approach the university has adopted in order to grow its operations has been to increase its entrepreneurial activities. The university at present already provides several business services, one being the Northumbria Commercial Enterprises (NCE), which is set to enhance and promote entrepreneurship within primarily in the North-East of England.

7.3 Sustained teaching quality within the context of globalisation

Most of the proposed changes within programme provision at the university could be impacted by the internationalisation of the university. The internationalisation of the university is expected to continue to generate a wider identity debate, especially along the lines of whether the university intends to remain an institution focused on providing a British education to an international body of students, or whether the university intends to be perceived as an institution located in the UK, providing educational products and services to an international student body. Whatever direction the university decides to choose, there are factors that need to be taken into consideration. In the first place, the culture of the institution will continue to change (although the impact on the overall student experience is yet to be determined), as academic and teaching staff increasingly deal with a large (and sometimes majority) class mix of international students. Secondly, these changes are also accompanied by increased administrative, pedagogical and support requirements. According to Jackson (2004), the most likely resultant consequence is that these challenges will drive the transformation of the traditional academic into an educational consultant.

7.4 The student as a customer

Another major debate that has arisen from the loss of traditional funding sources for the post 1992 universities, has been the debate on the position of the student within the overall education supply chain.

What we have at present is the concept of the student as a customer, which to some extent is being advocated by some academics, although reports of a fight back against this concept have been intense, especially during the 2007 British Academy of Management conference.

As part of our contribution to this debate, we feel that this notion is misconceived if one considers a simply supply chain. From this perspective, it rather becomes clear that the student remains a product with potential employers (who ultimately hire graduating students remaining as the customer). We however recognise that there are some difficulties with all sides of the argument. Precisely, for the argument against, there must be a realisation that although we can from the overall supply chain place students as products, the difficulty is dealing with this 'products', it that the product actually plays a major role in determining where they are to be 'sold'. The reality is that students ultimately determine what university, course and programme they want to undertake. They also determine to some extent (at least the students graduating with good scores or from well sought after programmes), determine what companies, where and when to apply to for work. From this perspective, we see the idea of the student as a customer as a perhaps difficult concept that academia will need to address especially as universities are having to end up balancing the notion of quality with a clear knowledge that in a customer driven educational market, a university that generates a reputation as 'hard' will struggle to recruit and retain students (who are now almost all fee-paying).

8.0 DISCUSSION

What we have attempted to demonstrate in this short reflective paper is that the criteria for organisational effectiveness is determined by various parameters and variables which includes the purpose of the organisation, stakeholder perspective and benchmark standards.

The case study to some extent has re-emphasised the distinction between goal and systems perspectives with the goals perspective presenting organisations as rationally constructed entities in the quest for certain identifiable goals, while system perspectives focuses on the functional complementary of parts of the organisation (Goodman and Penning 1980).

Furthermore the *open system theory* regards organisations as composed of a number of interrelated sub-systems that are 'open' to their external environment as well as 'open' to each other and analyses them in a holistic perspective. These sub-systems are defined by strategic orientation, technologies, organisational structure, and human relations and culture. The management's task is to establish links between them and the environment in order to facilitate change (Miller 1967).

Ultimately, based on our appreciation of open systems theory, we have further demonstrated that the university or parts of it can not be described as isolated organisational system. For this reason, exploring organisational change at a university therefore needs understanding the university's organisation as well as its values and culture.

9.0 CONCLUSIONS

This short paper intended to review variables that have been considered as part of the university's overall change process of the University. In summary, what emerges is that theories of organisational development change management are intricate and interwoven. The theoretical foundations of change management are also shown as extensive, although of an individual nature in interpretation and approach. What is more, the implementation process of change does not appear a distinct discipline, nor does it necessarily have clearly defined boundaries. Rather, change is a discipline which draws on a number of social science disciplines and traditions (Burnes, 1996).

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