

From agency to enterprise in higher education

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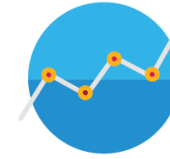
Higher Education Governance Logics



Academy Model



State Control Model



Market Model



Enterprise Model

	Academy Model	State Control Model	Market Model	Enterprise Model
Animating Purpose	Enlightenment of individual students	Organizational preservation	Profit maximization for owners and shareholders	Social transformation Economic Success
Path to Achieving Public Value	Immersive instruction	Achievement of state-specified goals	Efficiency and cost reduction	Connecting instruction to knowledge generation at society-impacting scale
Assumptions of Faculty	Self-governing professionals	Bureaucrats responding to rules	Commodity labor; faculty not entrepreneurial	Knowledge entrepreneurs
Assumptions of Management	Management drawn from and blended with faculty	Traditional public managers distinct from faculty	Professional management distinct from faculty and acting entrepreneurially	Management drawn from and blended with faculty but acting entrepreneurially
Accountability Mechanisms	Faculty and Management Professionalism	Audits, public reporting, standardized testing	Student choice, standardized testing	Demonstrated economic and social progress
Primary Funding Mechanisms	Enrollment funding from state, endowments	Enrollment funding from state	Vouchers, performance based funding from state	Diverse; institutional entrepreneurship
Organizational Scale of Impact	Individual or groups of individuals	Community or state	Indeterminate, any scale from which profit can be derived	Social scale with possible national and global reach

An “agency” may be understood as a bureau:

2. An office, esp. for the transaction of of public business; a department of public administration. In modern use, an office or business with a specified function; an agency for the co-ordination of related activities, the distribution of information, etc.

Oxford English Dictionary, 2nd edition

The policy scholar Anthony Downs, a senior fellow at the Brookings Institution, observed that bureaus “struggle for autonomy”:

“No bureau can survive unless it is able to demonstrate that its services are worthwhile to some group with influence over sufficient resources to keep it alive.... If it is a government bureau, it must impress those politicians who control the budget that its functions generate political support or meet vital social needs.”

Anthony Downs, Inside Bureaucracy (Boston: Little Brown, 1967), 7.

Downs specifies that bureaus are inclined toward routine and inertia:

“Once the users of the bureau’s services have become convinced of their gains from it, and have developed routinized relations with it, the bureau can rely upon a certain amount of inertia to keep on generating the external support it needs.”

Downs, Inside Bureaucracy, 8.

Downs explains that bureaus conform to rules and are resistant to change:

“More and more elaborate rules... tend to divert the attention of officials from achieving the social functions of the bureau to conforming to its rules.... They increase the bureau’s structural complexity, which in turn strengthens its inertia because of greater sunken costs in current procedures. The resulting resistance to change further reduces the bureau’s ability to adjust to new circumstances.”

Downs, Inside Bureaucracy, 18–19.

An “enterprise” by contrast is bold and daring:

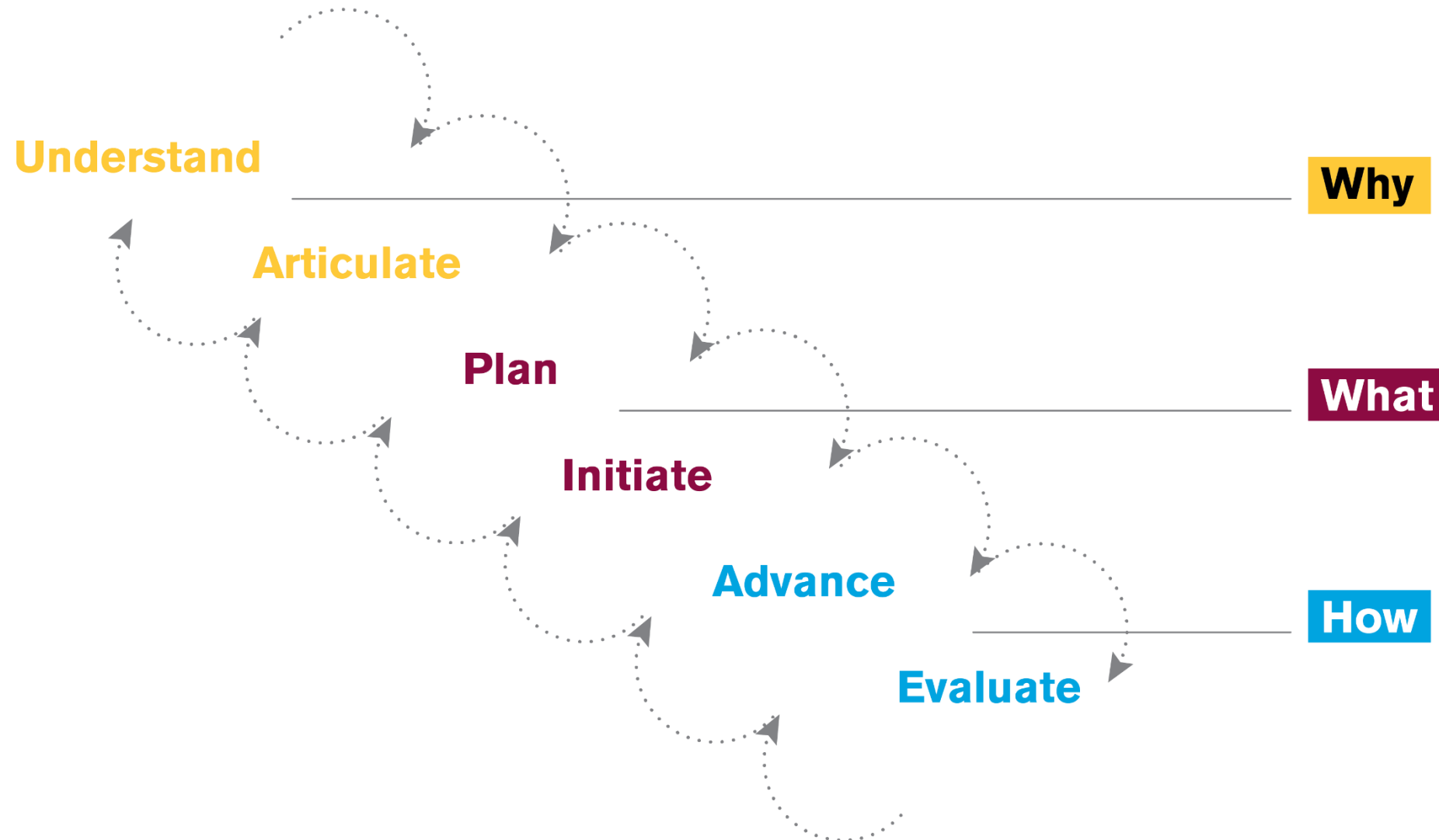
- 1. A bold, arduous, or momentous undertaking;**
- 2. Disposition or readiness to engage in undertakings of difficulty, risk, or danger; daring spirit.**

“Enterprise” requires “entrepreneurial” spirit.

An “entrepreneur” is simply someone who “undertakes an enterprise.”

Oxford English Dictionary, 2nd edition

Institutional Design Build



Understand

Problems → Existing models

Promise → New models

Progress → Nature of social advancement

Articulate

Many times

Many versions

Many audiences

Plan

Plan in pursuit of a vision

Plan sufficiently only to initiate action

Initiate

Initiate to address an urgent requirement

- social need
- managerial expediency

Initiate to optimize an opportunity

Advance

	Comprehensive	Incremental
Distributed Design	ASU Downtown Phoenix campus	School of Life Sciences
Centralized Design	Global Institute of Sustainability	Ira A. Fulton Schools of Engineering

Evaluate

Charter	→	Why
Mission	→	What
Goals	→	How

the why

1. ASU Charter

ASU is a **comprehensive public research university**, measured not by whom it excludes, but by **whom it includes** and how they **succeed**; advancing **research and discovery** of public value; and assuming **fundamental responsibility** the economic, social, cultural, and overall health of the **communities** it serves.

1a. University Type:

Wave 5 (National Service University)

Prototype:

Within the context of rapidly changing economic and social conditions, **National Service Universities** are a new class of universities that aspire to **accelerate positive social outcomes** through the seamless integration of cutting edge **technological innovation and scalability** with institutional cultures dedicated to the advancement of **academic enterprise and public value**.

the what

2. Design Aspirations

Eight **design aspirations** guide ASU's ongoing evolution as a **New American University**. ASU integrates these institutional objectives in innovative ways to demonstrate excellence, accessibility and impact.

2. Design Aspirations

Leverage Our Place

ASU embraces its cultural, socioeconomic and physical setting

Transform Society

ASU catalyzes social change by being connected to social

Value Entrepreneurship

ASU uses its knowledge and encourages innovation

Conduct Use-Inspired Research

ASU research has purpose and impact

Enable Student Success

ASU is committed to the success of each unique student

Fuse Intellectual Disciplines

ASU creates knowledge by transcending academic disciplines

Be Socially Embedded

ASU connects with communities through mutually beneficial partnerships

Engage Globally

ASU engages with people and issues locally, nationally and internationally

3. Culture Change

- A. Student-centric (full-immersion/digital immersion)
- B. Clock speed enhanced by technology
- C. Faculty as designers of intellectual structure
- D. Intellectually permeable
- E. One university in many places
- F. Universal learning

the how

4. University Goals

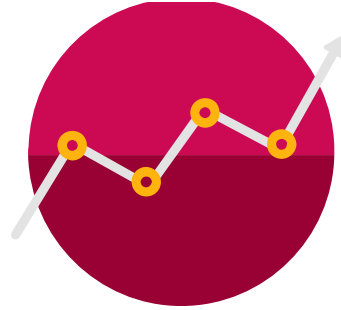
- A. Demonstrate **leadership** in academic excellence and accessibility
- B. Establish **national standing** in academic quality and impact of colleges and schools in every field
- C. Establish **ASU as a global center** for interdisciplinary research, discovery and development by 2025
- D. Enhance our **local impact** and social embeddedness



Demonstrate **leadership**
academic excellence and
accessibility

4. University Goals

- a. Maintain the fundamental principle of accessibility to all students qualified to study at a research university
- b. Maintain university accessibility to match Arizona's socioeconomic diversity, with undifferentiated outcomes for success
- c. Improve freshmen persistence to greater than **90%** (~86%)
- d. Enhance university graduation rate to greater than **80%** and more than **32,000** graduates (~70%)
- e. Enhance quality while reducing the cost of a degree
- f. Enroll **100,000** online and distance education degree seeking students (~35,000)
- g. Enhance measured student development and individual student learning to national leadership levels
- h. Engage all learners at all levels (**Universal Learning**)



Establish **national standing** in
academic quality and impact of
colleges and schools in every field

4. University Goals

- a. Attain national standing in academic quality for each college and school (top 5%) **(high attainment)**
- b. Attain national standing in the learning value added to our graduates in each college and school **(not measured systematically)**
- c. Become the leading university academically (faculty, discovery, research, creativity) in at least one department or school within each college/school **(none)**



Establish **ASU as a leading global center** for interdisciplinary research, discovery and development by 2025

4. University Goals

- a. Become the leading American center for discovery and scholarship in the integrated social sciences, and comprehensive arts and sciences
(emerging)
- b. Enhance research competitiveness to more than **\$815 million** in annual research expenditures **(@ >\$600 million) (~\$675M university core / ~\$190M new institutions)**
- c. Transform regional economic competitiveness through research and discovery and value-added programs
- d. Become a leading American center for innovation and entrepreneurship at all levels



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