



Uniform or distinctive?

On New Public Management Reforms, Profile Development in times of the Excellence Initiative and Incentive Structures of German Universities

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*Thai Deans for Change
Steigenberger Hotel, Berlin, 10 June 2013*



Overview

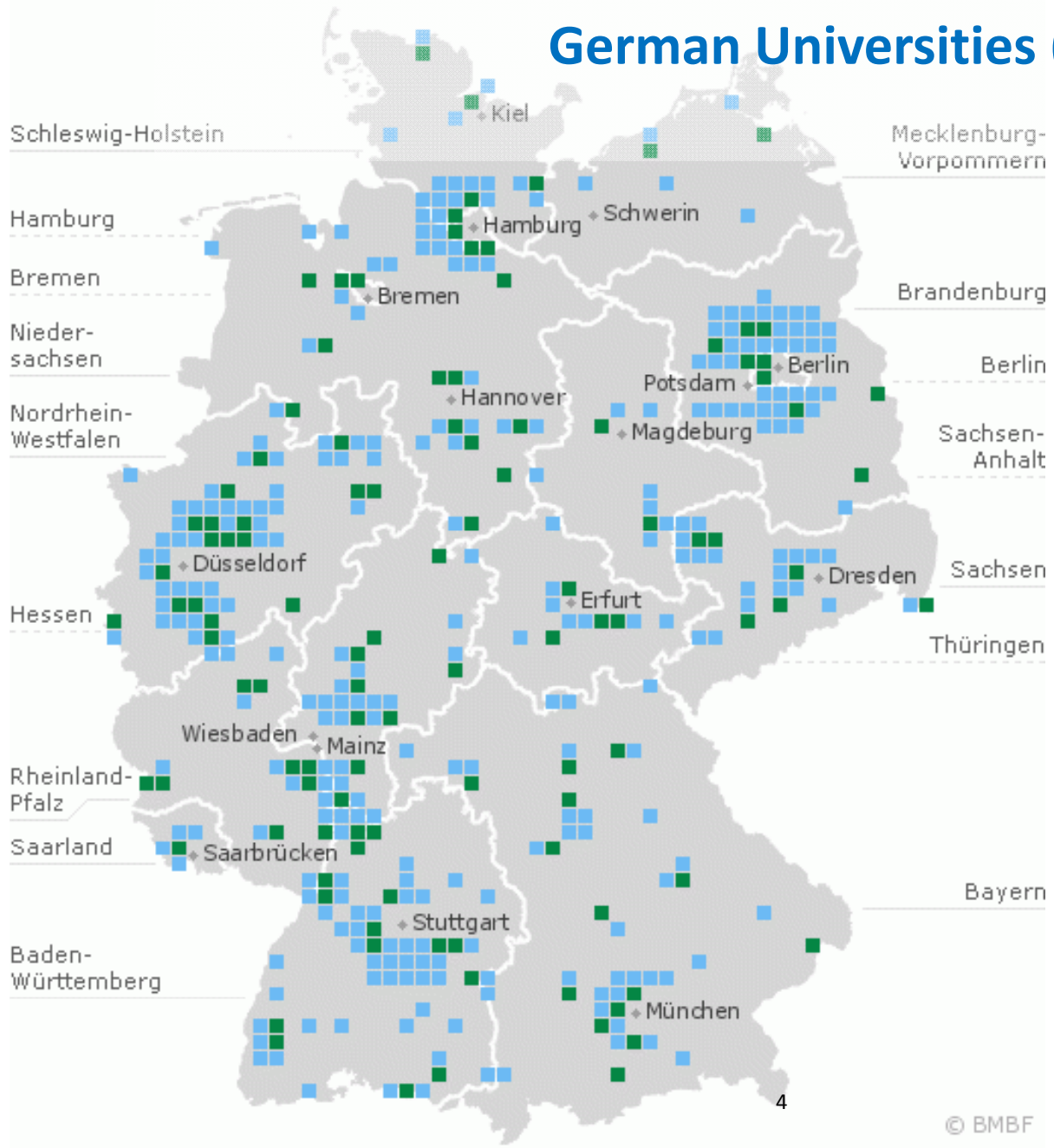
1. University Profile Development: From State-Regulation and Academic Self-Organisation towards new Management Models
2. The Excellence Initiative as a means of University Profile Development? *(based on Case Study)*
3. Incentive- and Controlling-Mechanisms within German Universities: Towards total Control of Professors? *(based on Case Study)*

German Universities in Times of Change?





German Universities (2012)



 Universities of Applied Sciences

 Universities

German Unis in total:
105 Universities, 6 Universities of Education, 16 Schools of Theology, 51 Music and Arts Colleges, 211 Universities of Applied Sciences, and 29 Executive Education Colleges



Some Paradoxes in Science- and Higher-education Policy

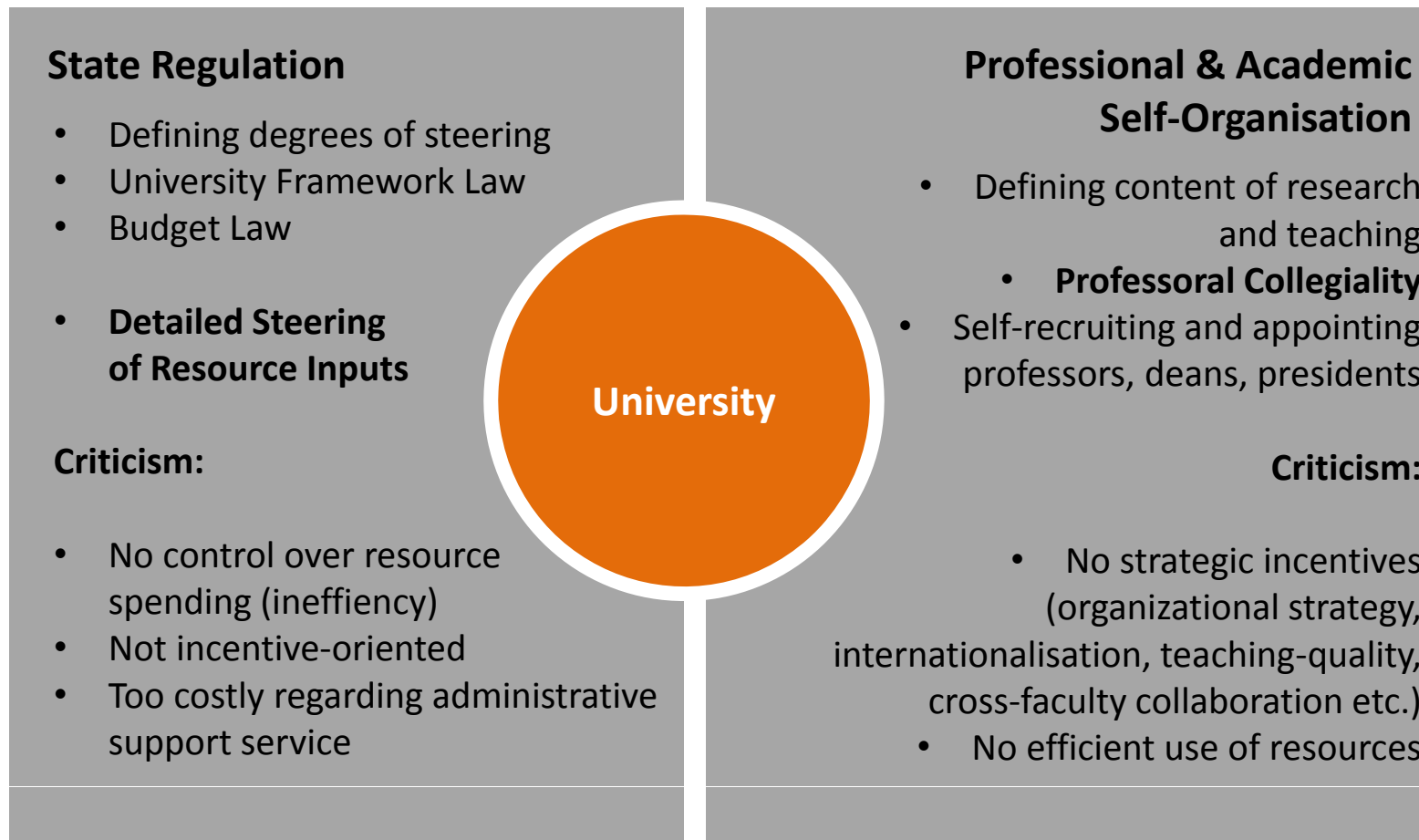
- Personal Freedom of Research and Teaching vs. Organizational Accountability
- Focus on Basic Research vs. Applied R&D / Knowledge Transfer
- Internationalization vs. Regional Capacity-Building
- Reputational Conflict: Research vs. Teaching
- Universities vs. Universities of Applied Sciences, Universities and Non-University Research



Profile Development and Five University Governance Mechanisms

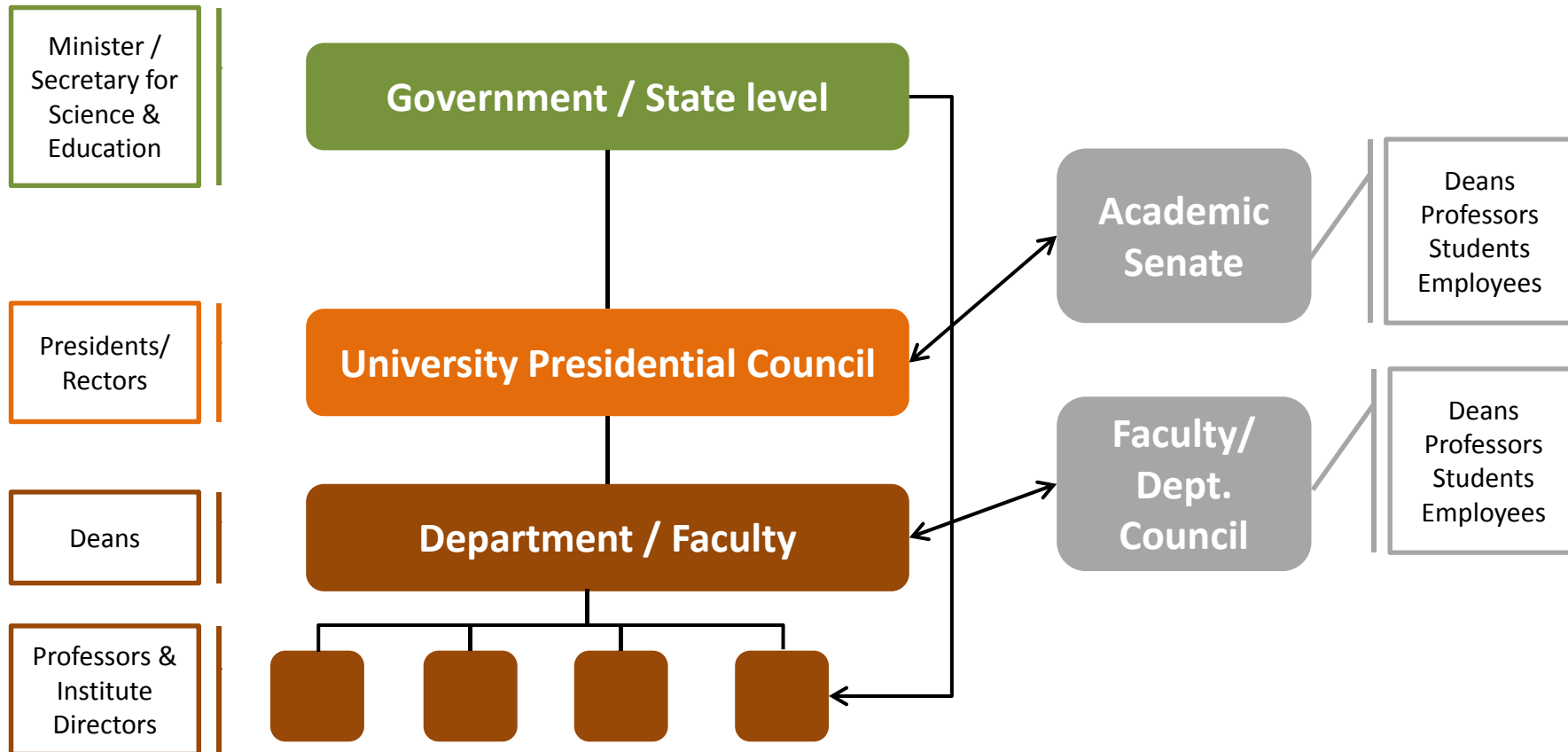
1. State Regulation
2. Professional and Academic Self-Organisation
- 3. Goal-oriented External Steering (by various stakeholders)**
- 4. Hierarchical-administrative Self-Organisation**
- 5. Competition / Marketisation**

Dominant Governance Regimes of German Universities: Self-Government (old Mechanism)





Traditional University Governance in Germany





Dominant Governance Regimes of German Universities: Management Model (new)

State Guidance

- University Framework Law
- Budget Law
- **Competition** between universities over resources
- **Output-oriented governance**
- **Management by objectives**

Criticism:

- Creation of pseudo-markets
- Token for cutting resources
- Outsourcing control to intermediary bodies
- Universities turning into firms

Intermediary Bodies



Hierarchical-administrative & stakeholder governance

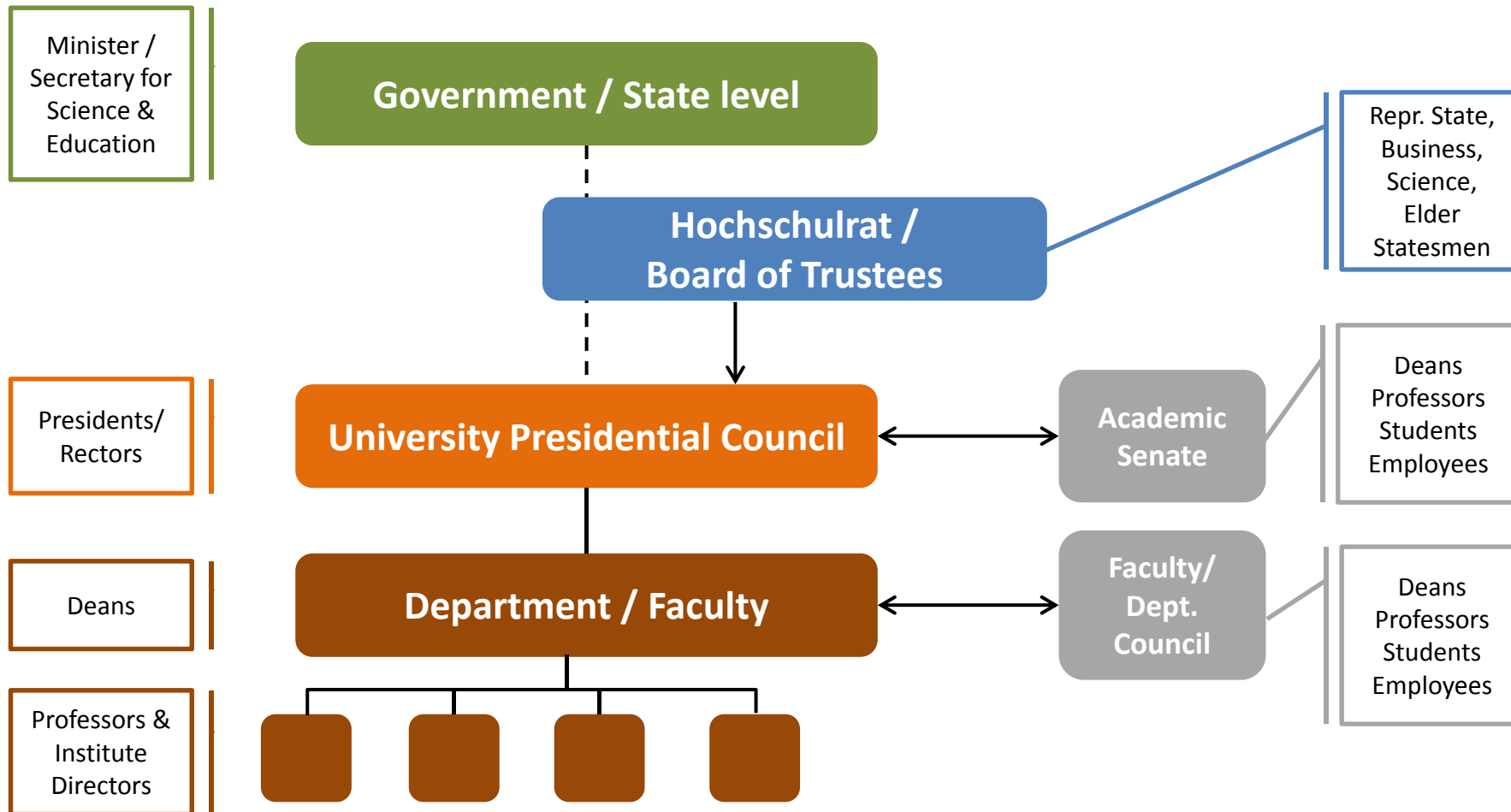
- Defining content of research and teaching
- **Overall research and teaching strategies**
 - **Internal competition for resources**

Criticism:

- Overburdening by organizational development
- Opportunism instead of real change
 - Erosion of collegiality, academic culture and epistemic-based research



New University Governance Model in Germany





Summary of the Management Model

- **Less external steering (from the States' Ministries)**
 - From Input Steering to Management-by-Objectives
 - Competition Between Universities for Less Fixed Resources
 - Third Party Funding for Research from various Sources (Ministries, EU, Public and Private Foundations)

- **More intermediary and internal formalization**
 - Installation of Board of Trustees with Variable Competences
 - Strengthening University Presidencies
 - Weakening the Faculties (e.g. denominations, resource management)
 - Increasing Competition Between Members of University for Resources



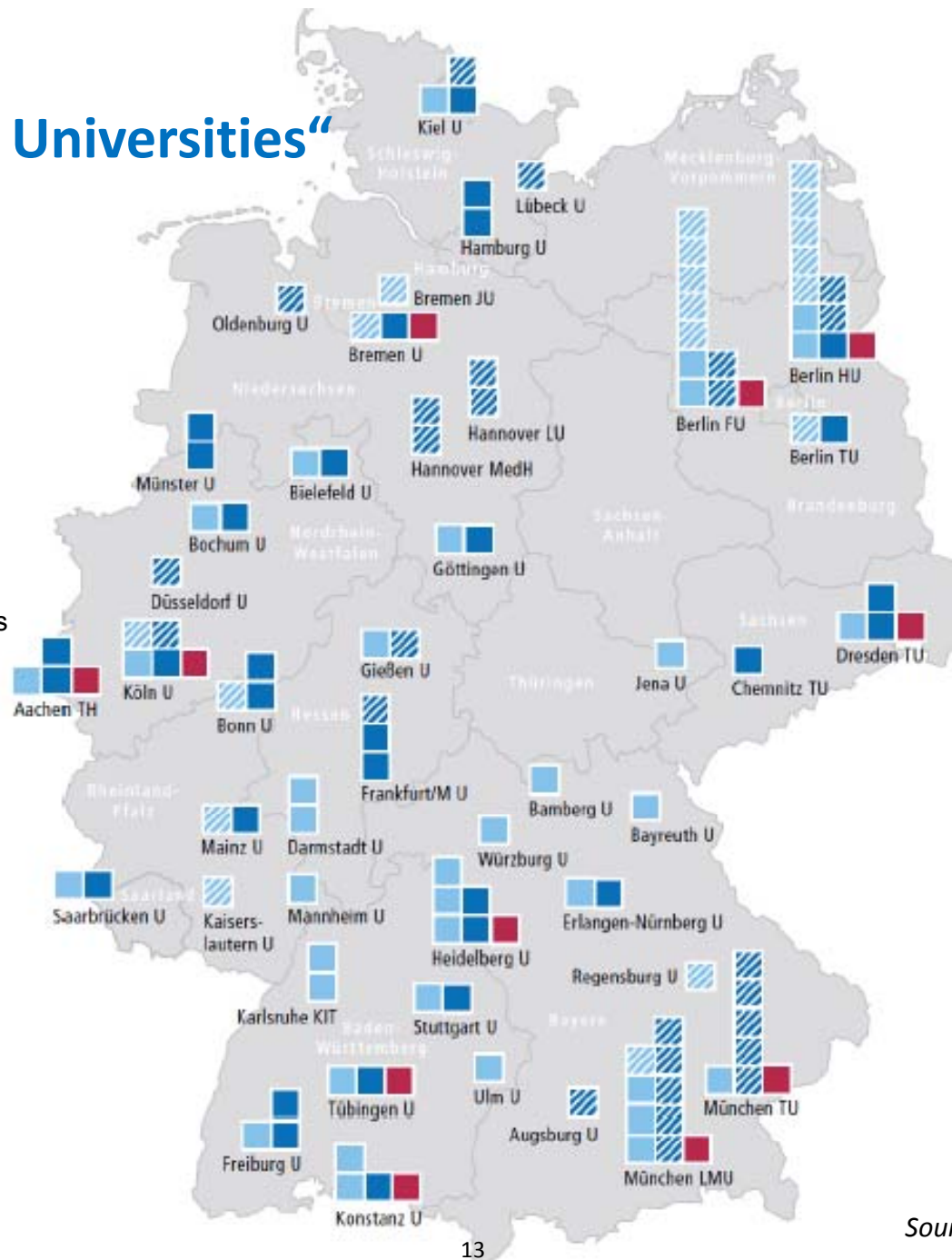
2. The Excellence Initiative as a Means of University Profile Development (Competition / Marketisation)

- Between 2006 and 2017, benefitting universities receive a total of € 4.6 billion in additional funding for the three funding lines of the initiative:
 1. **Graduate Schools** to promote early career researchers
 2. **Clusters of Excellence** to promote top-level research
 3. **Institutional strategies** to promote top-level university research (“future concepts”)
- **Vertical differentiation**
- **Horizontal differentiation**



„Excellence Universities“ 2012

- Graduate Schools
- Excellence Clusters
- Co-Proposals
- Future Concepts



Source: DFG 2013



Germany's Excellence Initiative – an inflation of winners?

		Graduate Schools	Excellence Clusters	Future Concepts
EUR 1.9bn	1st Round 2005/2006	19x	18x	3x in total TU Munich, LMU Munich K.I.T.
	2nd Round 2006-2007	21x	20x	6x Newcomers + 3x Consolidators
EUR 2.7bn	3rd Round 2010-2012	45x	43x	11x in total

143 Proposals, 59 new, 84 consolidators



Empirical Sample on Profile Development Study

- 13 semi-structured Interviews with University Presidents (mostly Vice-Presidents responsible for Research Planning)
 - 4 „Excellence Universities“ (3. Funding Scheme „Future Concept“)
 - 2 Semi-excellent Universities (Graduate School & Excellence Cluster)
 - 1 University as a total loser of all ExIn schemes
- Online Survey with Professors (identified as high-performing researchers; N= 2.538, response rate ~27%)
- Document Analysis (on profile descriptions, mission statements, website details about governance structures and funding)



Excellence as a Profile Development Means?

*„Well, I think that **this was only some sort of discourse** you just had to move along with. You simply inhere some aspects of it, and that’s all!“*

(President of an Excellence University)

*„Some call it focus areas, some call it profile, others call it excellence zones, and some others call it clusters, **but it all boils down to the same thing: to delegate waning public resources to those spots where you believe they are well invested.**“*

(President of a partly-successful Excellence University)



Excellence as a Profile Development Means?

*„We could build up a great sense of community in that we helped each others to advance this university. And this, I am convinced, **has tremendously changed the whole university over the last ten years** into something really good!“*

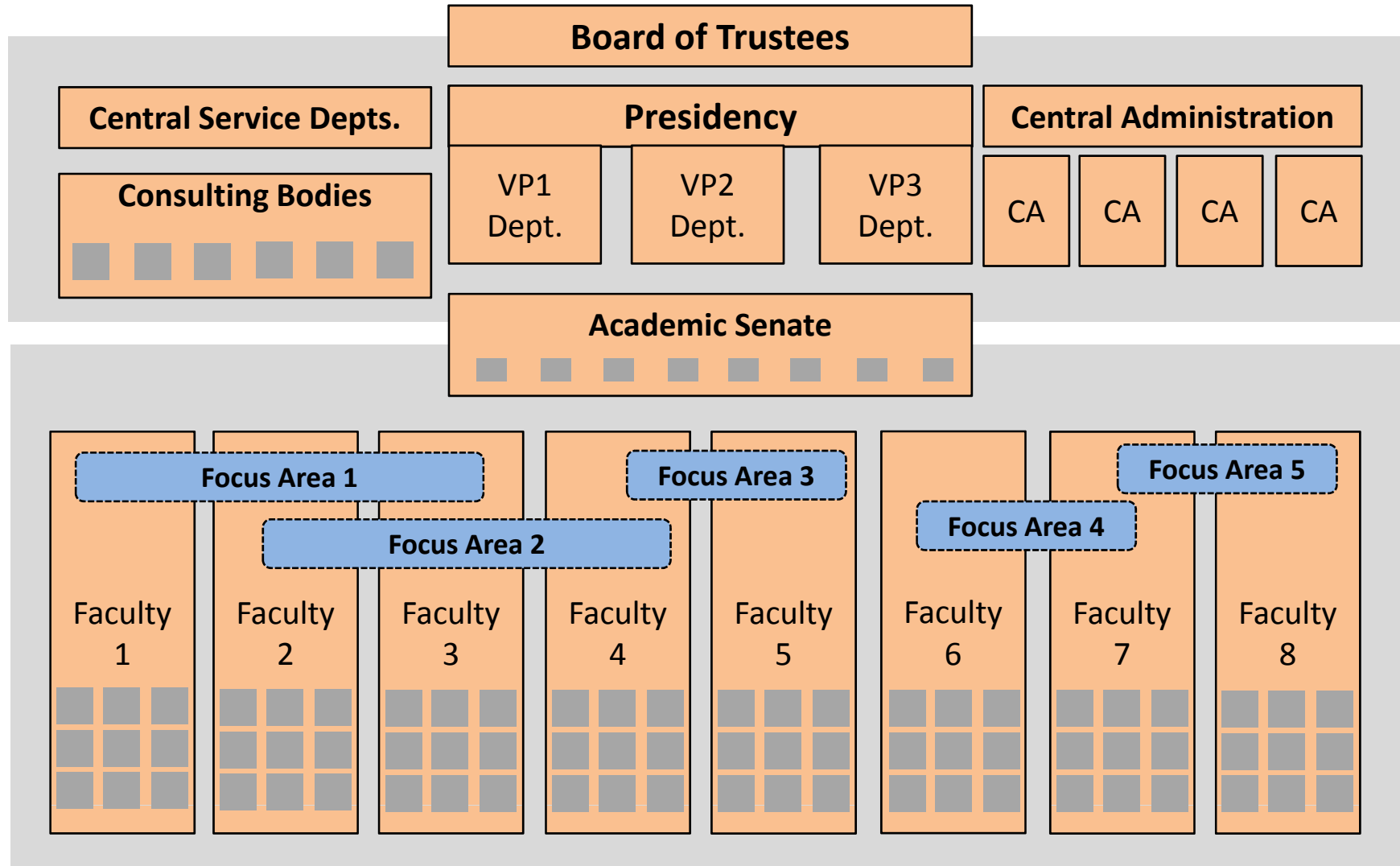
(President of an Excellence University)

*„As many others of this university, I don't know what do at all with the term „Excellence“. Excellence means some kind of dignitary persons. Excellence or Elite University, even more so, is a term I can't do anything with. The German Research Foundation or the Council for Science and Humanities had never ever used such terms before the Initiative, but obviously you need some kind of medial camouflage. **The public discourse around Excellence has caused great damage within our university. Because Elite or Excellence ultimately means selection.**“*

(President of a partly-successfull Excellence University)



New Structures in Excellence University





Profile Development Means in the Course of the ExIn

- Indirect Research Coordination by University Presidencies by setting up meta-structures (Research Councils, Advisory Boards, Cluster Management Centers etc.)
- Interdisciplinary Research Focus Areas connecting Faculties or even questioning their institutional status
- Creation of new Support Structures and New Consulting Facilities
 - Service-oriented Administration (3rd-party funding and match-making support, dual-career and international offices, welcome centers, etc.)
 - Strengthening University Management Facilities
- Transferring Right of Appeal to University Presidencies (in some cases)
- Seed Money & Knock-on Financing, pro-active search for 3rd-party funding

2 Types & Causes of Profile Development

1. Profile Development out of Financial Emergency



2. Excellence Initiative as a Catalytic Effect





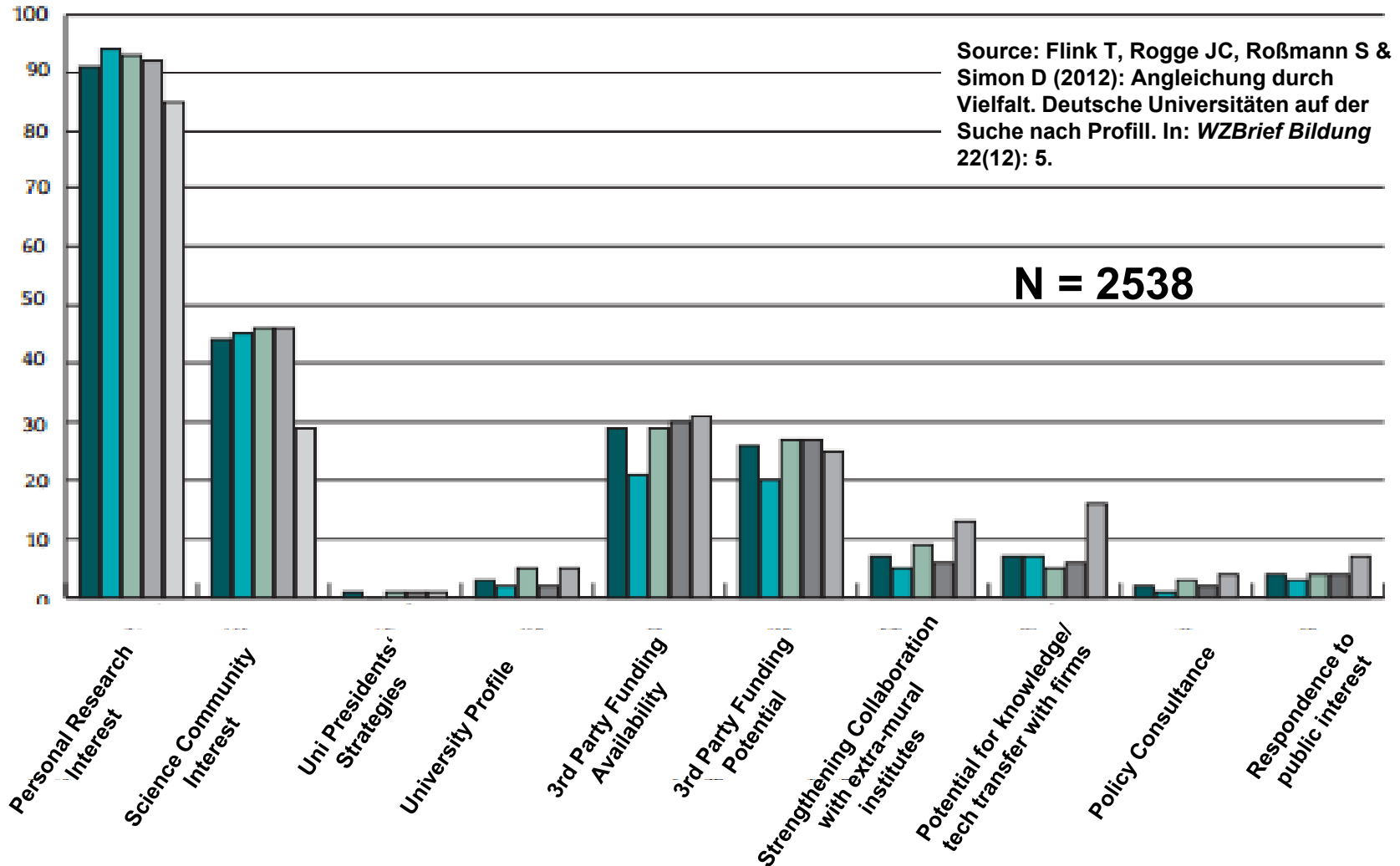
„I think many universities have worked on the same models at the same time. Let’s call it parallel work, but I don’t know if there really were role models at hand.“ (Universität F)

*„You know, look at the so called Institute for Advanced Studies model, which exists at all and every university by now. Well, in a way **we have simply copied this idea**, I mean the idea from Princeton, which really is an international power house. I think every vigilant university realised that **you don’t make it without such a focus area.**“ (Universität E)*



Profile Development from the Professors' Viewpoints

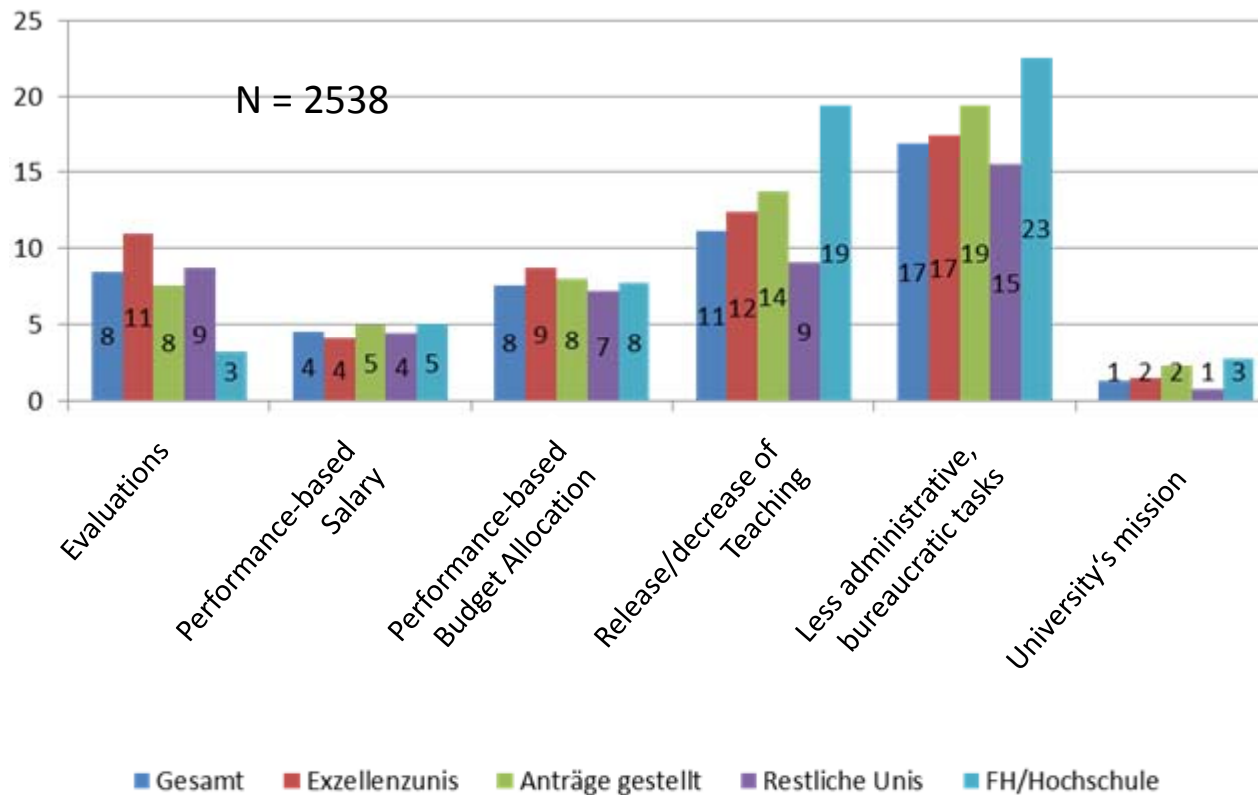
Total
 Excellence Unis
 Excellence Unis (3rd Stream)
 Other Unis
 Unis of Applied Sciences





Profile Development by governance instruments – the Professors’ Perspective

% of Professors ascribing relevance to individual governance mechanisms within the University





Summary: The Excellence Initiative – intended and unintended effects for universities

- All universities got stirred into action, not only the ones being funded
- High intrinsic motivation of applicants: even rejected project ideas are expedited
- Universities internal governance structures change, i.e. particularly by excellence clusters
- Collaboration with non-university institutes, business enterprises and civic organisations slightly intensify or now appear as intense



Summary: The Excellence Initiative – intended and unintended effects for the university system

- Reinforcing university's presidencies (by future concepts)
- Developing meta-structures across university faculties (especially interdisciplinary research centres and clusters), **however...**
- Professors' freedom of Research and Teaching remain strong as ever



Summary: Profile Development in the course of the Excellence Initiative

- In general, positive assessment by those benefiting from the ExIn, less positive assessment by those being not or only partly funded
- Various Effects, as suggested by University Presidents:
 - Positive Effects: first signs of distinction; in some cases „organizational spirit“; additional resources available
 - Negative Effects: High time pressure for researchers during time of application, competition pressure within the university, structural burden by „heavy“ Excellence Clusters (sustainability)
 - Search for suitable compensatory funding as regards neglected proposals

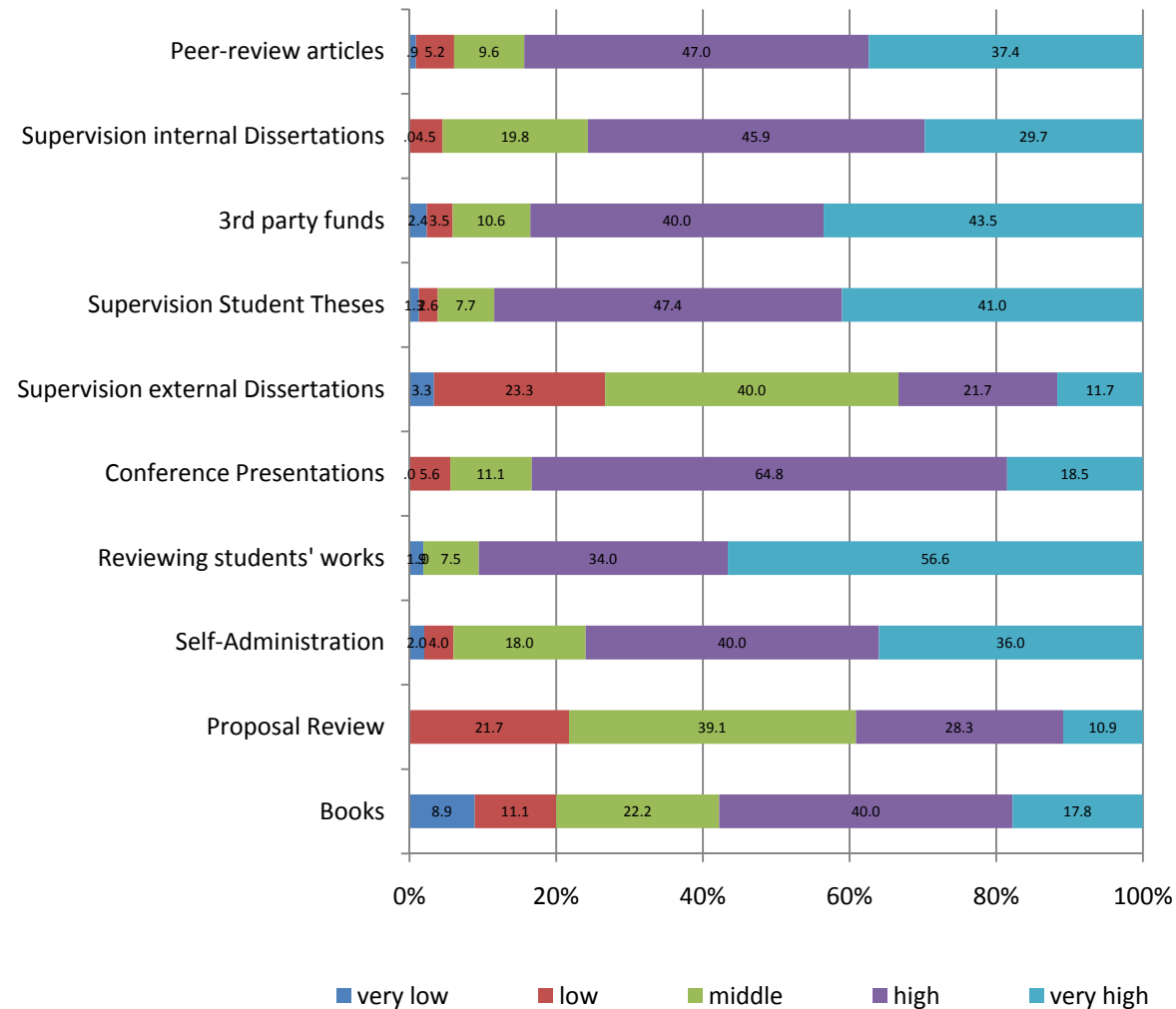


3. Incentive- and Controlling-Mechanisms within German Universities: Towards total Control of Professors?

- Empirical Study with one University regarding incentive- and control-mechanisms and performance-based payment (>30 criteria)
- Fairness, Appropriateness (Measurability) and Steering Effects
 - 16 Interviews (Presidency, Deans, Professors from four scientific cultures: Natural Sciences, Engineering, Life Sciences, Social Sciences and Humanities)
 - Online-surveying Professors (236 contacted / 139 responses = 59% response rate)
 - Document Analysis (financial data, person-based performance indicators)



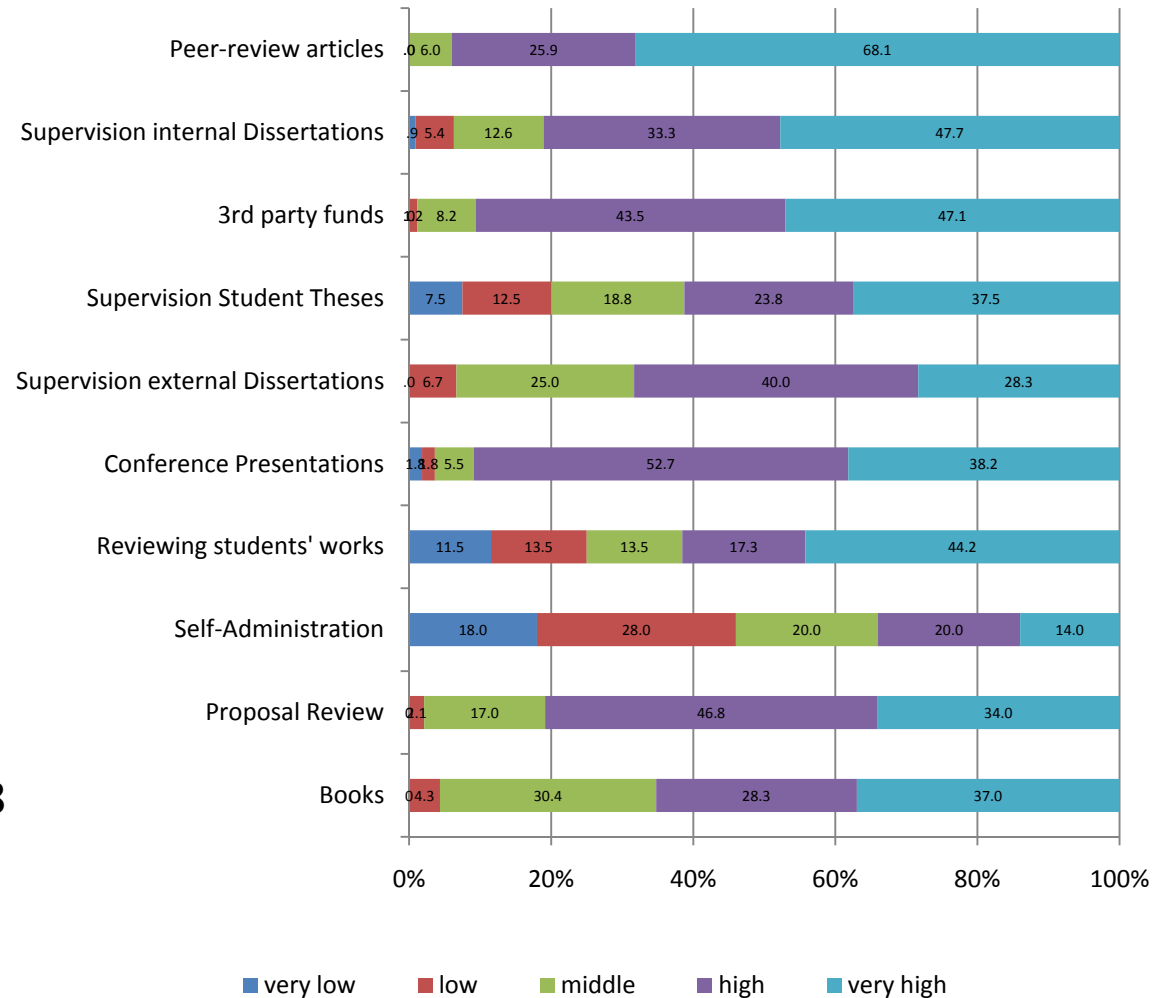
Relevance of the 10 most important criteria for daily work



N = 138



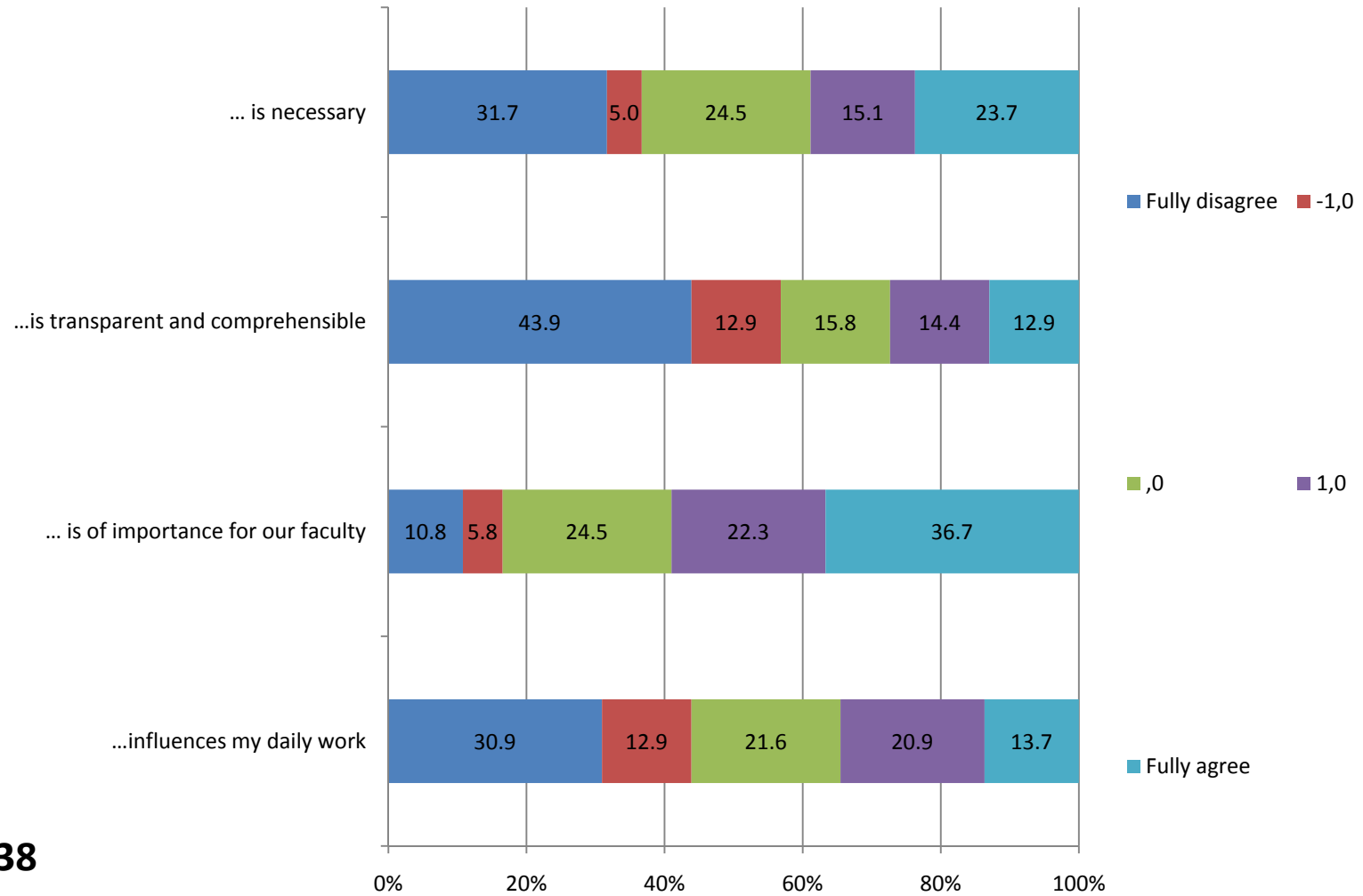
Relevance of the 10 most important criteria for the science system



N = 138



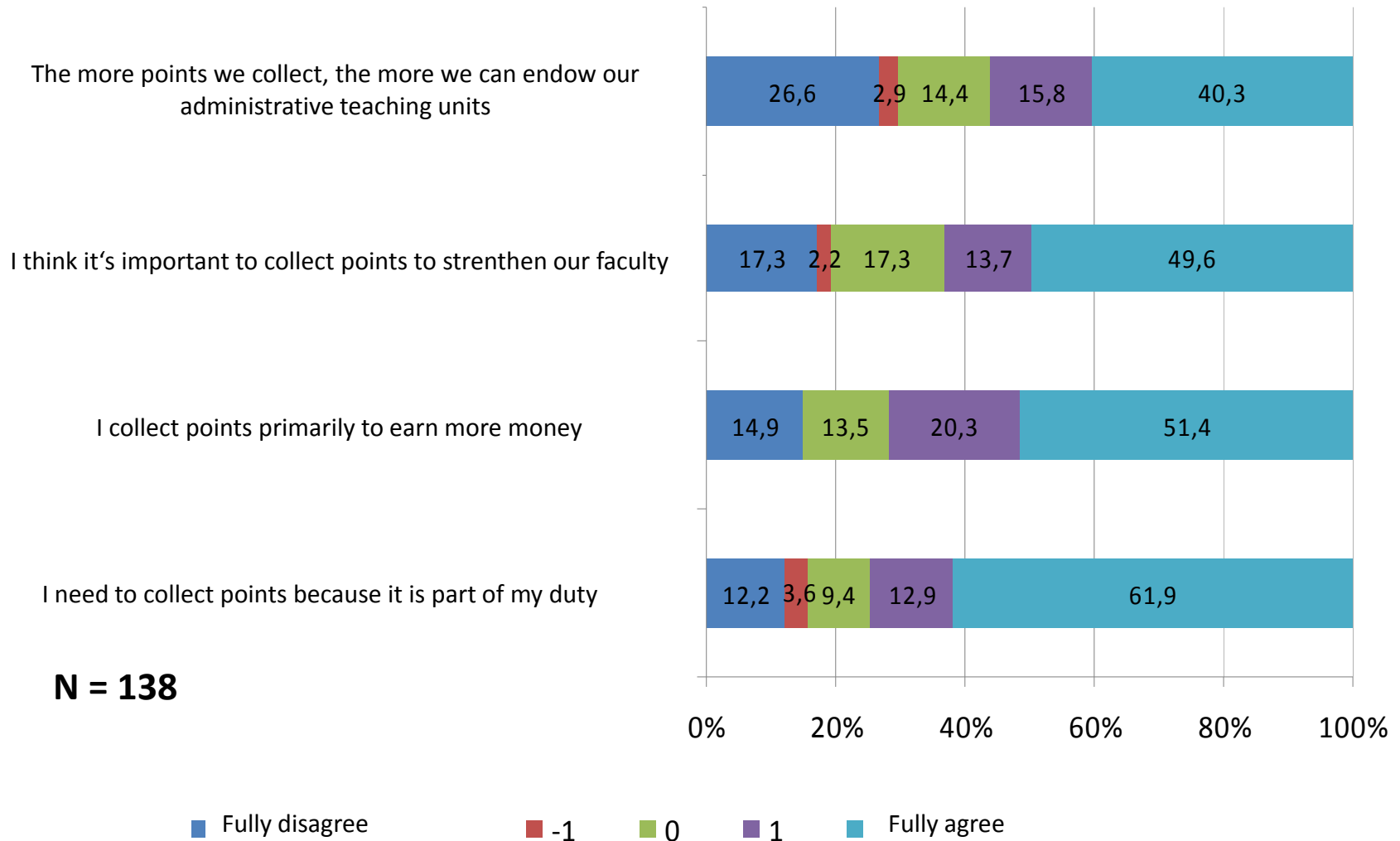
Performance Measuring...



N = 138



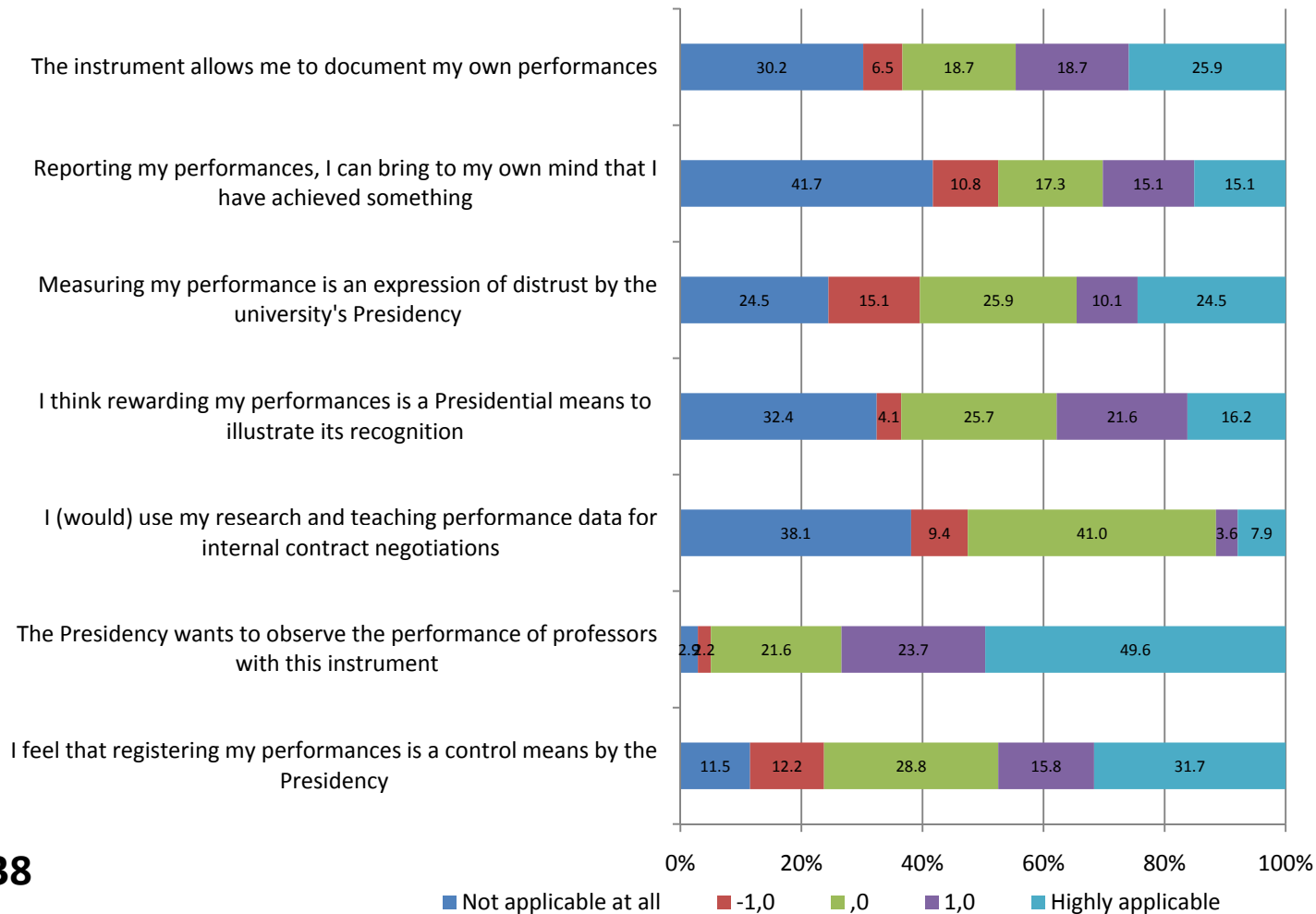
Why do you participate in collecting data (1)?



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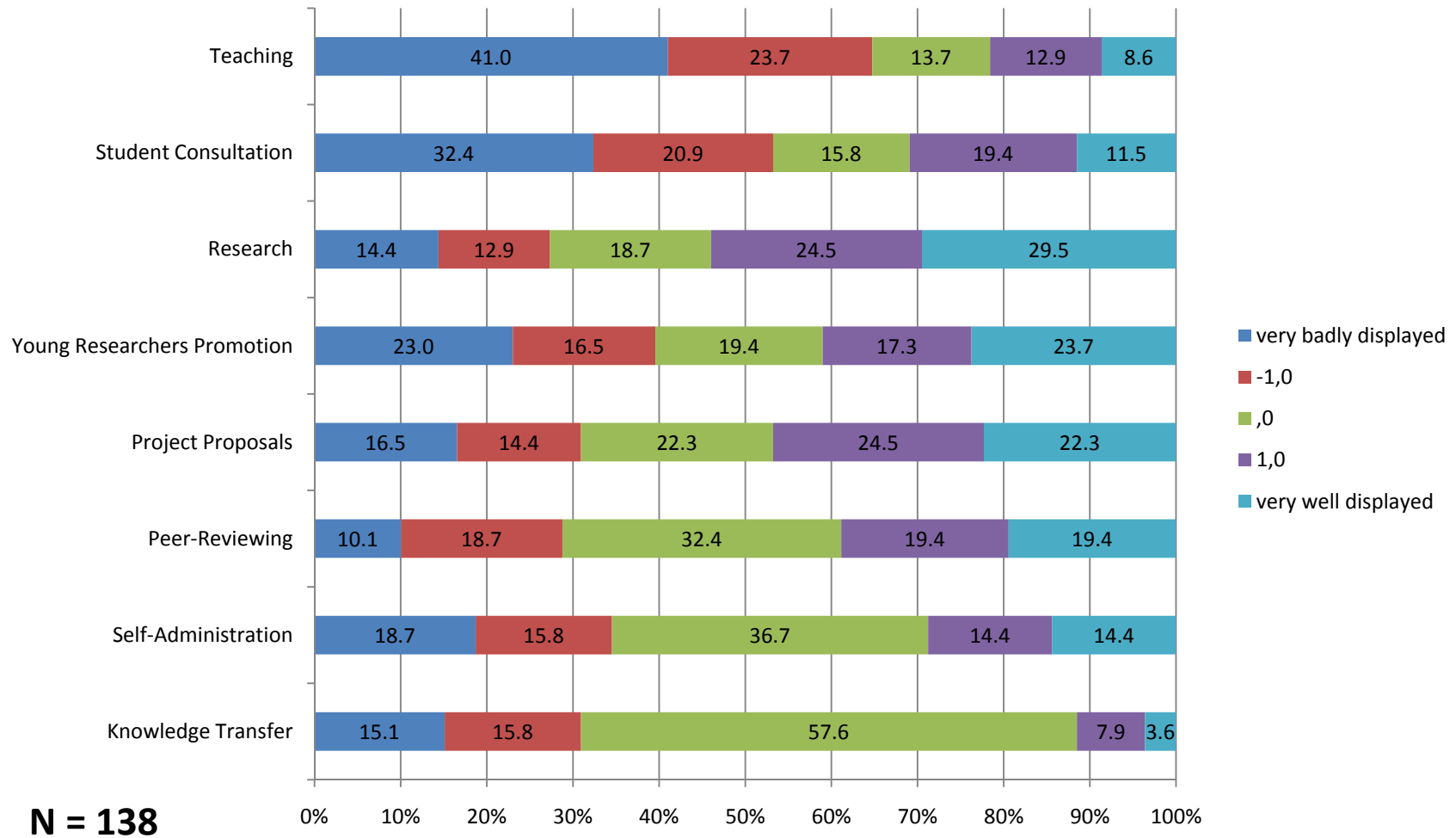
Why do you participate in collecting data (2)?



N = 138

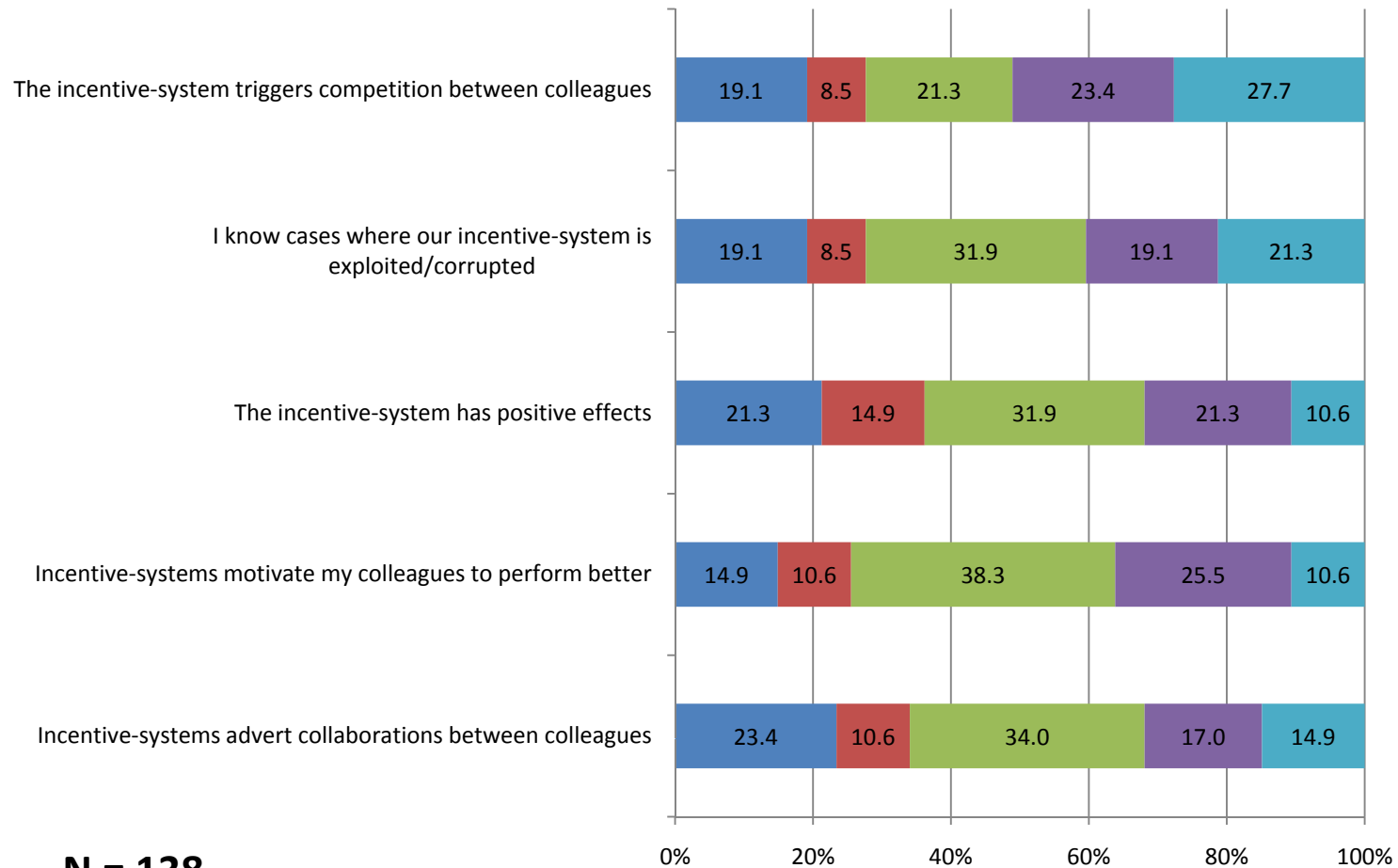


How well are your personal performances displayed by indicators?





Effects of the Incentive- and Control-System:



N = 138

■ Not applicable at all ■ -1,0 ■ ,0 ■ 1,0 ■ Highly applicable



Summary: Incentive- and Control-Mechanisms at University

- Incentive and Control Mechanisms matter!
 - Professors feel controlled by the University Presidency primarily, not by their faculty/dean
 - General feeling of unfair treatment via quantitative Incentive- and Control-Mechanisms
 - Research-related performances can be displayed relatively well, teaching-related performance cannot
 - Individual criteria vary slightly between „daily work“ relevance (for the university) *and* relevance for the science system



Wrap Up: Profile Development by governance, competition (Excellence Initiative) and intra-university incentive systems

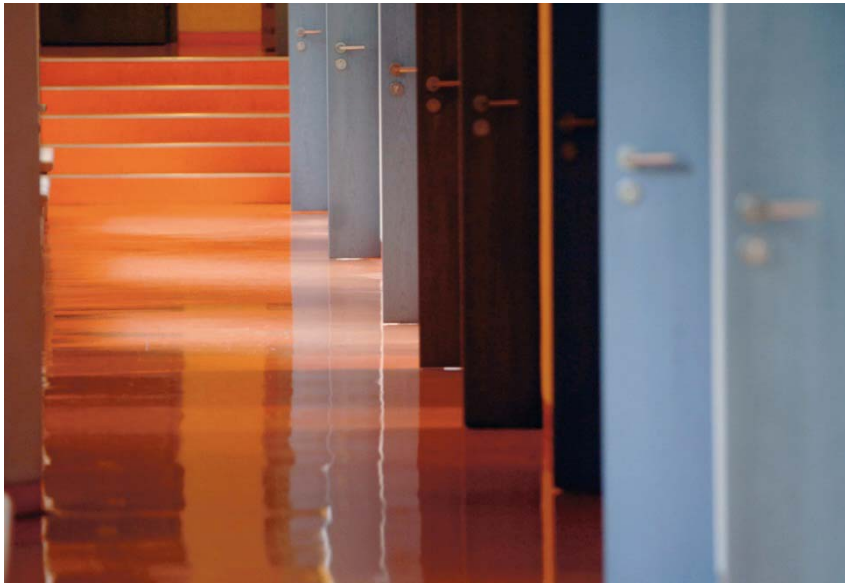
- Formalising the university into an „actor“ with a unique profile takes shape in different ways
 - Governance reforms strengthening stakeholder governance
 - Excellence Initiative as a strong mode of competition, but with limited effects on horizontal differentiation
 - Research remains as the highest priority in formal profile development, as it matches with professors' reputation systems
 - Incentive- and Control-mechanisms endanger sense of fairness and only apply to quantifiable indicators; their strategic use by University Presidencies is limited

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Thank you for your attention!



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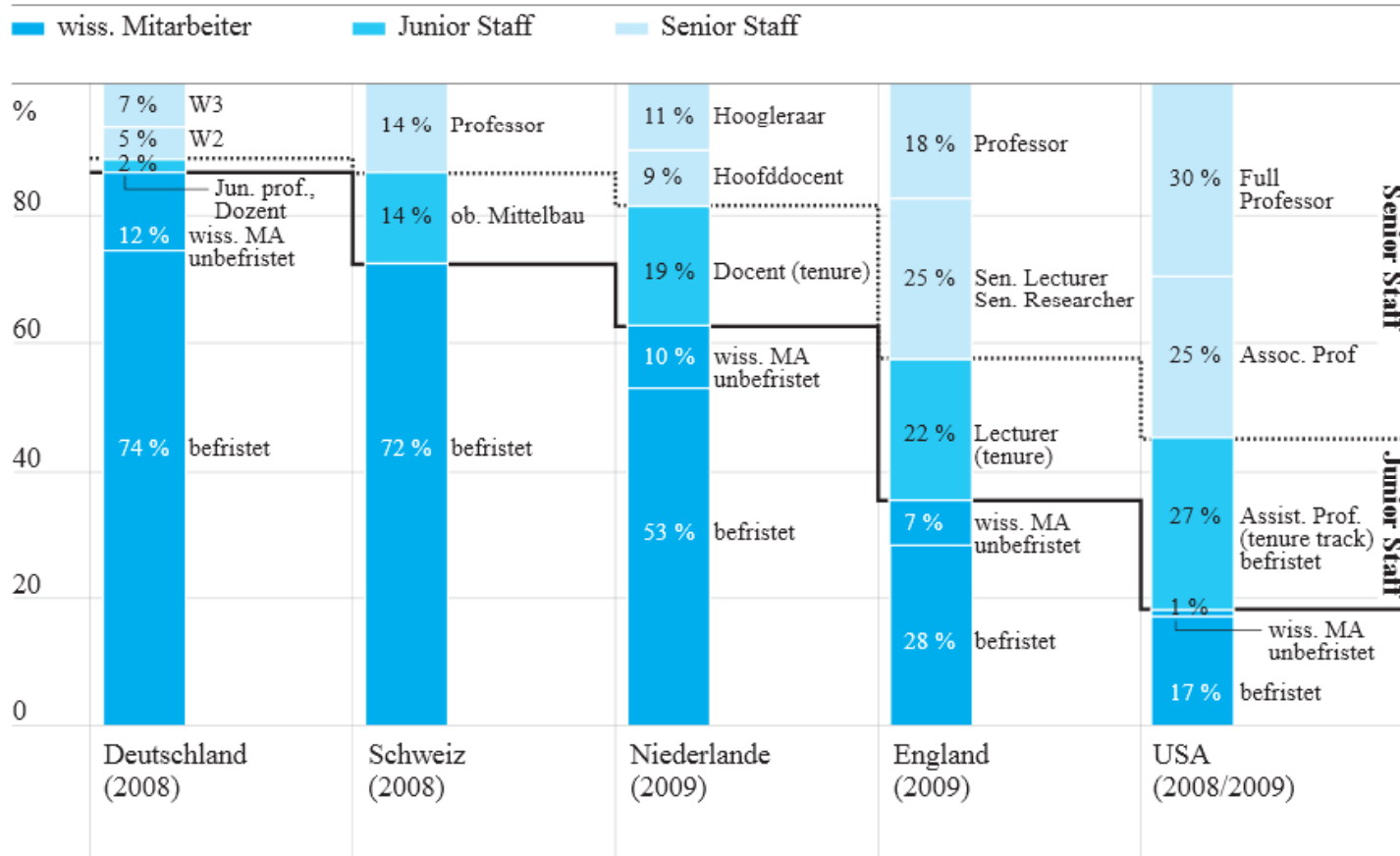
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Labour Market Higher Education

Hauptberufliches wissenschaftliches Personal an Universitäten
(Angaben in Prozent)

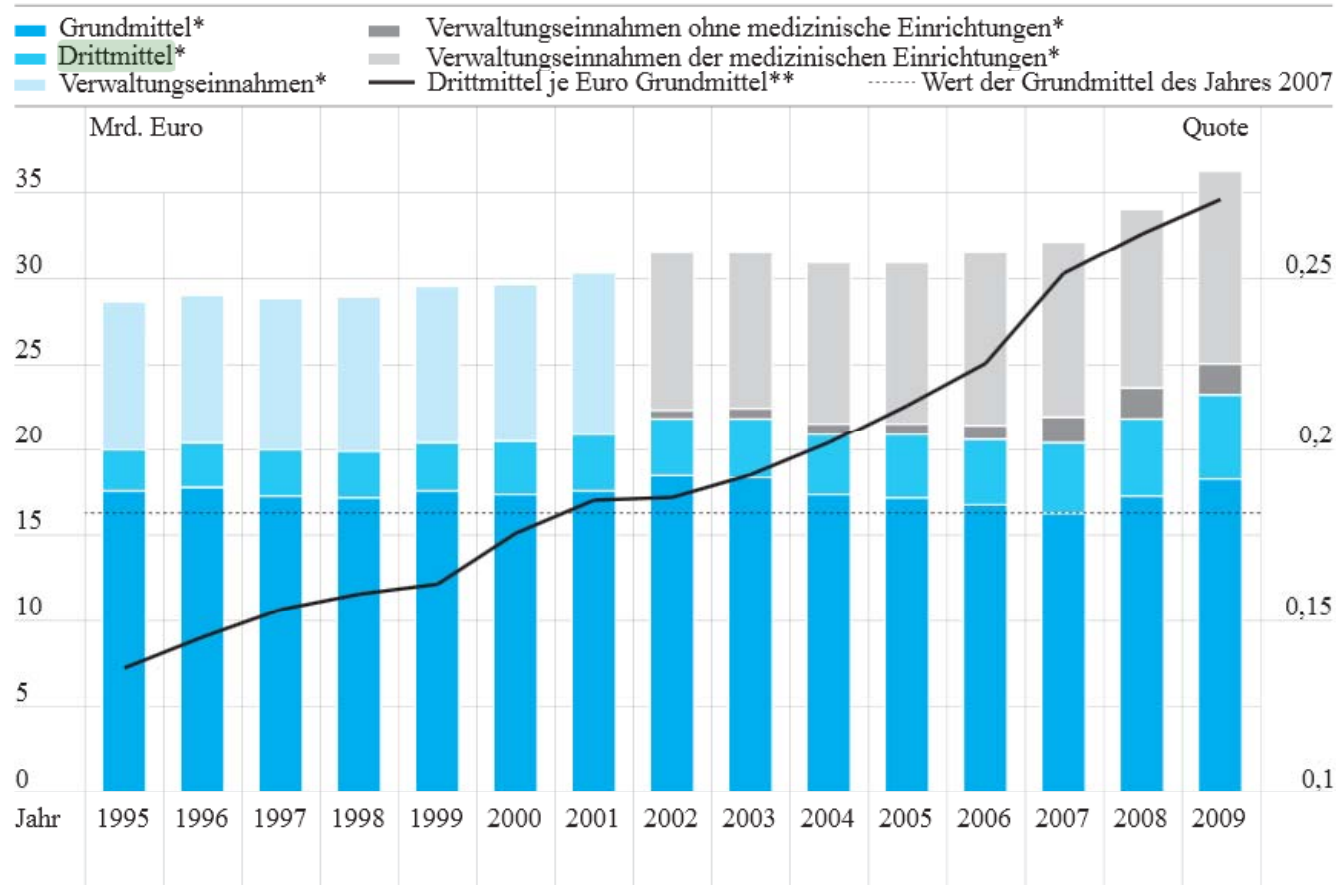


Rundungsfehler Niederlande

Quelle: Kreckel (2008; aktualisiert); Kreckel (2010): 38 f.



Financial Structure German Science Policy System



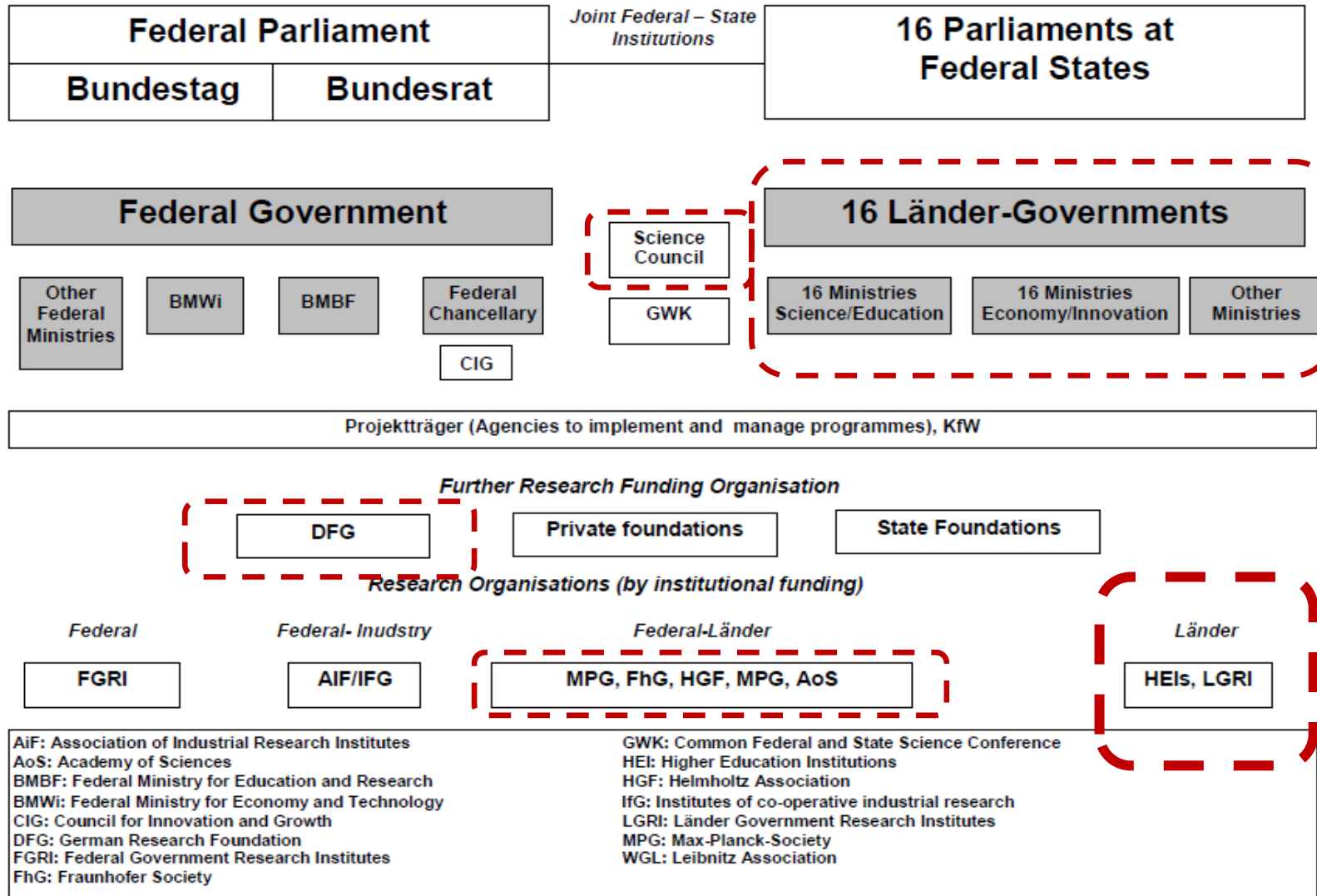
* in Milliarden Euro zu Preisen von 2005 (Skala links); ** Quote (Skala rechts).

Vor 2002 keine Trennung der Verwaltungseinnahmen nach medizinischen Einrichtungen und anderen Hochschuleinrichtungen möglich. Einnahmen mit dem Verbraucherpreisindex deflationiert. Verwaltungseinnahmen inklusive Einnahmen aus Studiengebühren.

Quelle: Statistisches Bundesamt, Fachserie 11, Reihe 4.5. Berechnungen des ZEW und eigene Berechnungen.



The German Science- and HE-Policy System





Basic Law Foundation of Research and Teaching

- „Arts and Sciences, Research and Teaching shall be free. The Freedom shall not release from the Allegiance to the Constitution.“ (Art. 5, Abs. (3) GG)
- „The States (Länder) are entitled to legislation so far as the Constitution does not counter legislative Power on the Federation (Bund).“ (Art. 70, Abs. (1) GG)
- „The Federation (Bund) and the States (Länder) may mutually agree to cooperate in cases of supra-regional importance....“ (Article 91b, GG)

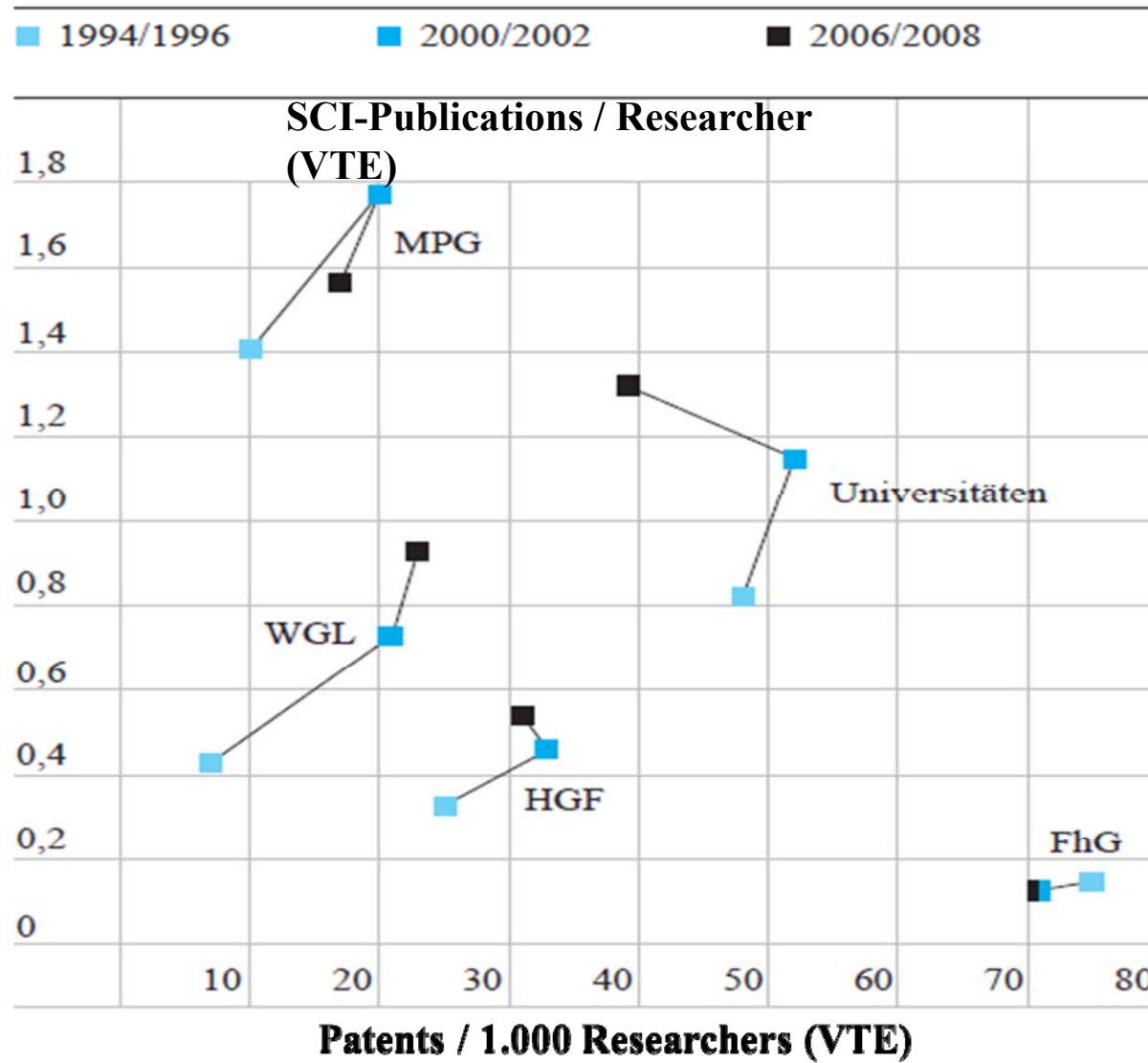


Consequences from Basic Law Legislation

- University Education and Research Responsibility of States (Länder)
- National Research Laboratories and Organisations (can be governed by Federal Government or Cooperational Bodies (Helmholtz-System; Max Planck Society, Leibniz Association etc.)
- Principle has been strengthened by Federal Reform (Förderalismusreform 2006)



German S&T Performance



Source: EFI Study 2012



Trends about Financing Academic Staff

- Basic state funding declining from 79 % (2001) to 68 % (2009)
- Third party funding ~22,4 % (2009) reaching international level (UK: 34,5 %, Switzerland: 22,1 %)
- Main third party funding sources DFG (48 %, incl. ExIn), EU (20 %) and Business (19 %)
- Researchers: enormous expansion of PhD stipends and project-based staff (normally short-term)