ABSTRACT

During recent years radical changes have affected universities in most Western European countries, implying new pressures and demands on higher education systems and deeply influencing the context in which universities operate. The paper attempts to investigate governance issues and the need for new strategic paths emerging as a result of changed scenarios. Specifically, the greater number of stakeholders involved in academic activities requires universities to take into account a variety of social, economic and cultural factors when making strategic decisions. Adjustments in board composition through appointing non-academic members are signals of such trends. Moving from this consideration and relying on data on the governance structures of Italian universities, the paper discusses challenges for academic institutions in terms of change in their strategic management and governance structures as well as the likely directions such change is taking.

Keywords: Academic Governance, Board Composition, Business Management, Higher Education, Italian Universities, Strategic Decision Making

INTRODUCTION

Since the Bologna Declaration and the Lisbon Agenda, the competitiveness of national university systems has been an issue of academic debate in Europe. Each State is pushing in the direction of optimizing performance to avoid marginalisation. In competitive terms, performance is seen as the capacity to attract both the most talented young people to universities and funding for European research Programmes.

Consequently, the benchmark will be the efficiency of National university systems as a whole and adequate governance tools.

The European university system in many respects is experiencing what could be called a governance crisis, given its shift from closed corporation status to that of exposed Institution encumbered with strategic planning and management remits, practically unknown in the past. Accountability, responsibility, efficiency and transparent decision making are the key words underpinning this epochal change.
combined with the democratic representation of all the members, each in reference to their specific role held in the system. In Italy too, autonomy introduced with the Law no.168/89 has reviewed and modified the relationship between the Ministry and universities. At present, the role of the Ministry involves planning, devising directives and evaluating mechanisms within the university system, taking into account the results obtained in order to allot resources (i.e. defining parameters for measuring performance). In the pursuit of high quality training, research and development, the Italian Government is also promoting forms of competition and differentiation among Universities, experimenting innovative models of research and teaching, new curricula etc. At the same time, it is introducing mechanisms to stimulate interest in the internationalisation process of training and research and encouraging teacher and student mobility.

However, autonomy in a university context is not envisaged in individual terms but rather in an institutional sense, at the service of the people and the stakeholders operating in the territory. The Conference of the European Ministries for Higher Education in Berlin in September 2003 emphasized how Higher Education “is a public good and a public responsibility”. In Italy, for many years now, the concept of ‘self-reference’ has been the subject of debate between academics and politicians in that universities are accused of ignoring the needs and demands of their users generally speaking and those of the labour and production world in particular. The lack of an active role in university governance on the part of stakeholders is denounced, mainly as concerns the students and their families as well as the business world, the professions and Institutions of territorial governance, underlining how universities rely on the public for their main source of funding. In our view, the way to interpret the principle of autonomy of university education lies in defining criteria of governance that are valid for every university in order to avoid or banish self referential mechanisms. Unquestionably, representatives of the public in governance structures together with student delegates is a start whereby strategies of development and policy guidelines can be discussed in the light of established goals. In short, the principle of autonomy in the University has to combine with the monitoring and evaluating of such goals, assuming full responsibility towards stakeholders when implementing strategic decision making processes.

RESEARCH PURPOSE AND STRUCTURE OF THE PAPER

The paper starts from the premise that the recent changes in the European Higher Education system have driven universities to consider the expectations of their stakeholders (competition and market orientation perspectives). Nowadays, it is widely acknowledged that universities need a new model of governance in order to preserve the integrity of their mission as well as to make their strategic decision-making processes more effective, timely and sensitive to strategic stakeholder input.

This paper investigates governance issues and the need for strategic change emerging as a result of the new context. By virtue of the large number of interest groups involved in a university’s activity and the importance of strategic input coming from the external environment rather than from the organization’s internal setting, a shift towards extensive adjustments in university governance structures and management has been noted.

First of all, the paper attempts to describe and explain the recent changes and new trends in the European higher education system, by means of a detailed analysis of relationships between central government, the marketplace and public universities. From an overview of the literature, the study proceeds with a brief description of the composition of governing bodies in Italian State universities, illustrating the modalities and procedures of how they work, their responsibility for determining university strategy and finally, the relation between governance and management. The research question starts from the assumption that to best satisfy
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