Chapter 87
Modify and Adapt:
Global Higher Education in a Changing Economy

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ABSTRACT
The combinations of global networking and digital delivery have intense repercussions for higher education administrators who confront a magnitude of opportunities and challenges as the result of the digital revolution. Much of the reaction to technological change comes from those with a vested interest in either wholesale change or maintaining the status quo. Taking the resilience metaphor from ecology, the authors propose a framework for analyzing an institution's ability to adapt to digital challenges. To compete in today's economic environment, higher education institutions must become more adaptive, responding more quickly to changing expectations from society, politicians and customers. The non-linear approach to problem-solving evident in higher education and society in general, reflects a need to be more flexible, adaptive to alternative techniques and willing to invest in a new culture designed to acquire knowledge rather than specific solutions. This level of organizational flexibility and responsiveness fuels university performance. In the globally competitive and commercialized start to the 21st Century there has been a considerable increase in the demands for higher education institutions to provide additional global access, and increase opportunities while simultaneously reducing budgets. Globalization and technology have introduced critical alterations to higher education institutions. The context of education has become dynamic, energetic, and economically driven. The emerging technologies have rapidly turned knowledge to power. In this context knowledge is viewed as a commodity that can be managed (bought and sold) while being a vibrant source of social activity and learning.

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INTRODUCTION

Higher education institutions face decreased funding during a time of scarce resources yet increased accountability for productivity in the development and articulation of knowledge (Broadbent, 2001; Marshall, 2010; Sahlberg, 2010). Duderstadt (2000) suggests newer university roles could provide economic growth through the production and consumption of new knowledge. Colleges and universities are regarded as a place to go, land-based institutions where the uninformed meet teachers in a face-to-face setting to become informed (Kompf, 2005). Students emerge from traditional universities certificated and credentialed: necessary tools for upward social and economic mobility (Haskins, 2008; Haskins, Holzer & Lerman, 2009; Frank & Gabler, 2007). However, technology has disrupted the traditional, formal processes of higher education (Aviram & Talmi, 2005; Christensen & Eyring, 2011; Christensen, Horn & Johnson, 2008; Fahmy, 2004).

Using emerging technologies as an accelerant, higher education institutions are leaving traditional brick and mortar physical spaces and venturing into a virtual mélange of educational models used in the global digital economy (Altbach, 2004; Altbach, Reisberg & Rumbley, 2009; Baldwin & James, 2000; Marginson & Considine, 2000; Silver, 2007; Slaughter & Rhoades, 2004). The digital economy is a “third wave of capitalism that will transform many aspects of the global marketplace” (Oxford Economics, 2010, p. 2) and offers “huge opportunities for…companies that can adapt” (p. 3). Digital technologies are creating “wider access to education, new markets for content, and expanded revenue opportunities for academic institutions” (Glenn, 2008, p. 5). In the evolving global educational marketplace students have access to what they need (Akdere, 2009; Dawley, 2009). “The twin challenges of rising information technology costs and the need to avoid technological obsolescence” (Glenn, 2008, p. 15) are daunting for universities who want to be able participate in the global knowledge economy (Brown, Lauder, & Ashton, 2008; Kwong, 2000; LeBlanc, 2012; Oxford Economics, 2010). A knowledge-based economy is one in which the production, dissemination, and utilization of technology are essential to economic development and sustainable growth (Archibugi & Coco, 2005).

Technology Versus Tradition

St. George (2006) suggests colleges and universities are “already in the best position to benefit from, and contribute to, the increasing exchange of knowledge” (p. 593). With Grave’s (2010) prediction that 80 percent of new jobs created in the global knowledge-driven economy will require advanced education, colleges and universities to face a move from more formal traditional roles of working for the public good to redefining their institutional mission to include innovation and entrepreneurship. Change is necessary for post-secondary education institutions to remain viable (Glenn, 2008; Levin & Sun, 2002). Survival for universities, suggests Houston (2010), means adaptation. Traditional educational paradigms have changed and the physical university is now a combination multi-dimensional education model: physical with online or online (Garrison & Akyol, 2009; Glenn, 2008; Morris, 2008; Robins & Webster, 2002; Tapscott & Williams, 2010). Universities are using technology as one of the primary means for initiating and maintaining contact with a diverse student population looking for anywhere, anytime learning (Bates & Poole, 2003; Blin & Munro, 2008; Conner & Rabovsky, 2011; Mihhailova, 2006; Murray, 2008). “Universities need to respond to remain competitive, but those innovations often cost millions of dollars” (Glenn, 2008, p. 12). The new management approach based on complexity science advocates a shift from the “command and control” style of management to a “sense and response” style (Morris, 2009; Proenza, 2010; Stensaker & Lee, 2010). This implies a shift in building skills to