Chapter 2
Organizational Agility in Universities: Tensions and Challenges

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ABSTRACT
Organizational agility is a necessary capability for universities in times of turbulence. However, this is not easily achieved as there are a number of tensions and challenges that impact a university’s ability to respond to change in a timely manner. This chapter explores and discusses some of the tensions that universities experience as they seek to succeed and thrive in increasingly competitive and innovative spaces. Areas discussed cover clash of culture and values, effect of organizational structure and mode of operation, risk aversion and innovation, optimization of business processes for efficiency and agility, resources and change demands, and technological innovations and disruptions. Many of these are discussed in the context of the changing landscape of education as universities explore new business models such as online delivery and prepare themselves for major transformations and innovations. The concluding call is for universities to develop and nurture agile capability to address their future challenges.

INTRODUCTION
As universities contemplate the convergence of their past and present into the seemingly more complex future, it is evident that significant tensions exist. At an abstract level, these tensions are underpinned by clashes of old versus new, traditional versus contemporary values and cultures, risk versus innovation, agility versus efficiency, and technology versus more technology. This chapter will discuss the following tensions experienced in the education sector:

- Clash of culture and values.
- The effect of organizational structure and mode of operation.
- Risk aversion and innovation.
- Optimization of business processes for efficiency and agility.
- Resources and change demands.
- Technological innovations and disruptions.

These tensions demonstrate the breadth of intertwining forces at play and help us understand some of the enormous challenges that universi-
ties face as they seek to succeed and thrive in an increasingly competitive and innovative market. The decisions made to address tensions such as these will impact on a university’s ability to respond to change, thus defining its agility. Organizational agility is a crucial capability for universities in times of disruptive change and innovation (Mukerjee, 2014). It can provide the multi-tiered, multi-dimensional capability to address strategic and operational demands that are required to propel the organization forward as a unified entity.

As with other organizations, universities today are under enormous pressure to transform, innovate and respond to change at a pace that is arguably unprecedented (Marginson, 2000). The balance between advancing knowledge through teaching and research for the benefit of humans and society (Boyce, 2002; Giroux, 2002) and achieving a business model that is sustainable, progressive and innovative is precarious at best and can quickly spiral out of control in turbulent times (Fitzgerald, White & Gunter, 2012).

As universities shift from traditional to corporate entities, there is an emerging sense for the need to move to a more agile structure, to facilitate and enable quick decision-making and timely response to changes (Mukerjee, 2012, 2014). This move is necessary due to the changing landscape of education. Questions are raised about the continuing viability of higher education institutions given the growing interest in online education (Coy, 2013). In Australia, universities have been alerted by policy makers that unless they overhaul and invest in new business models, they will not survive recent government funding cuts (Hare, 2012). These challenges are discussed further in this chapter and illustrate how they drive the strategic initiatives of universities. The following sections describe the tensions listed above and their impact on organizational agility, as universities seek to meet current and future challenges.

CLASH OF CULTURE AND VALUES

One of the most powerful influences within an organization is its culture (Morarui et al., 2009). To understand its place in an organization, it helps to define what I mean by culture. Kotter (2012a, p. 1) describes culture as consisting of ‘group norms of behavior and the underlying shared values that help keep those norms in place’. The culture in an organization is therefore something that becomes embedded into its DNA through the powerful influence of group norms and shared history, over a period of time and through the processes of retention, recruitment and institutionalization of staff members (Kotter, 2012a). It takes a force more powerful than that of the existing culture to create a new culture. This normally takes the form of strong leadership and a new team that lives and breathes a new set of norms and values that demonstrate the viability of a better alternative (Kotter, 2012a). Universities have distinct cultures that are derived from their own heritages as well as current and historical norms (Fitzgerald et al., 2012). Such a potent cultural mix is difficult to unravel and replace quickly and is more effective when done in collaboration with strategy (Katzenbach et al., 2012) rather than through strategy alone.

The last two decades have seen the corporatization of universities, as education becomes viewed as a commodity operating under models of new global economy and knowledge capitalism (Peters, 2013). This has introduced a different set of values, behaviors and language and been the subject of much research and commentary from the academic community (Boyce, 2002; Giroux, 2002; Peters, 2013). Giroux (2002) maintains that the new corporate university values profit, control and efficiency, which are hallmarks of the neoliberal corporate ethic, and arguably bring universities into tension with their legacies of democratic concerns and rights that define the stated mission of higher education. As universi-