

Academic leadership in Greek higher educational institutions under economic and social crisis

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ABSTRACT: Academic leadership is by far the most controversial theme in academia due to the fact that academics enjoy autonomy in their very work, i.e. researching and reporting only to the global scientific community rather than to any internal or local administration mechanism as is the case of business. The difference between management and leadership adds to the confusion. As long as there are no threats in universities' external and internal environment their leaders do not have much to be concerned about. But as economic troubles, which often lead to social crisis, start developing, then leadership's abilities and structure are questioned. The purpose of this paper is to study structures and abilities of the academic leadership in Greek higher educational institutions (HEIs), to examine future trends of HEIs in the European Union, to review the basic governance models, to find the key implications of the economic and social crisis and, finally, to propose some changes that leadership of Greek HEIs may take in order to become more effective when confronting the crisis.

INTRODUCTION

At its core, *leadership is the capacity to release and engage human potential in the pursuit of common cause* [1]. It applies to academic organisations and to business ones as well. Academic leaders exercise their leadership within settings that have markedly different institutional purposes, cultures and expectations than the organisations in which business leaders typically exercise their leadership. Academic leadership differs in three main concepts: the academic leader (rector, dean, HoD, council, etc) normally is *primus inter pares* (this applies to governing bodies as academic council or senate in which previous mentioned persons are members as well).

The leader is not a manager but a single member of the *production* process mechanism (lecturing, researching) - the *outcome* is not directly measured but through indirect performance indicators - and the legal framework of his authority is set partially (at least) by state laws and, partially, by the internal constitution (or in some countries by the Handbook of Governance). Academic leadership often refers to the governance bodies. By the phrase tertiary or higher education institutes in Greece, reference is made to two equal but distinct sectors: the universities and the technological education institutes, although their departments (apart from philosophy, law and medicine) are not easily distinguishable. Therefore, in Greek terminology the acronym HEI does not yet refer to postsecondary vocational or professional non-academic education.

Greek HEIs are legal entities of public interest. Their constitution follows the governing Law on Higher Education, which grants limited autonomy to the institutions. They cannot hire or promote the professors or staff they want (who are considered as civil servants), they do not control the number nor the qualifications of their prospective student and they cannot spend the money on infrastructure or equipment purchases as they wish. Furthermore, they cannot transfer to next year any budget surplus nor they can exploit (or invest on) their innovative research results. Internal governing bodies, the management, their responsibilities and duties are all strictly defined in state laws.

Although the departments are independent (in the essence that the leadership cannot typically interfere), there are severe legal limitations to their decisions. The only externally acquired non-academic person with responsibility for administering the non-academic staff duties is the general secretary. Academic departments (i.e. those offering 1st degree courses) require ministerial approval to operate, thus, the withdrawal of a course is practically impossible. Academic personnel hold tenured posts but due to the large number of poorly staffed departments, and to a large number of students, entering a course (on average 250), a more than three times the average number of temporary teaching personnel, are hired on a one or three-years basis.

The Bologna Process, the European Academic and Professional Qualifications Frameworks, and various decisions of the European Court have permitted the establishment of colleges or Franchisees of foreign colleges or universities. This,

and the European mobility of students, staff and professionals, exercising their profession across the European Union has led to confusion on both academic and professional recognition and privileges. Therefore, a new reform of higher education to adapt to the EU HEI area and research is mandatory. Funding of Greek HEIs comes mainly by State and EU Social Funds.

According to a four-year strategic plan typically stating requirements (staff, infrastructure, etc) private funding is limited only to benefactors. HEIs' spin off companies running in a competitive market have not been established yet. Joint research programmes with industry, although limited, contributed to research or testing purposes. Older HEIs receive additional sums by exploiting their real estate properties. As education in Greece is considered a public good, tuition fees are not applicable to public HEIs, with the exception of Master courses and the Greek Open University. Private colleges charge fees, but normally not exceeding those of the Open University.

Students' entrance to HEIs is not decided by the HEI but depends solely on general examination results and on choice by the students of the preferred university. The students' number registering with HEIs is set by the Minister of Education, resulting in the highest world rate (circa 80%) of school leavers of the secondary education. In a practical sense, academic leaders (the rector, senate/council and deans) act more like managers occupied with day-to-day operations than administrators. But even in that case, they did not feel like managers living in a real business world in the manner that European or American HEIs did. Then major issues emerged: *Competition and Economic Crisis*.

GREEK HEIs UNDER CRISIS

Internal and International Competition

Competition amongst Greek HEIs is not based on the outcomes of research or excellence in teaching, but on the preference of students and staff for HEIs in capital cities rather than in small cities. This has also led to finance being unequally allocated. The provincial HEIs responded by establishing programmes (departments) financially subsidised by EU Social Funds in small towns. International HEIs are also preferred since as calculations show, the living cost of a four-five year course in a Greek university in a city other than the student's family residence, exceeds the cost of attending a provincial university, say, in England, which grants the same degree in three years or in a private college (franchisees as well). The higher academic or quality rank of a foreign university contributes to the student's choice as well.

International competition also means that ultimately knowledge (research - theory and applications or tools) in a field continues to be imported. This has been faced also by the EU after statistics revealed that 24% of working-age Europeans have a degree, compared with 39% in the USA; 1.3 % of GDP is spent on HE in the EU, compared to 2.9% in the USA; and an ever-declining share of Nobel prizes are won by Europeans. Only two EU HEIs are ranked in the Shanghai Jiao Tong top 20 and although the population is aging, lifelong learning and access is not always central in institutional strategies [2]. This has led the EU Council to adopt measures that leverage the competitiveness of the EU HE system, including the Bologna Process and the Lisbon Strategies, the creation of the EU Council for Research, the EU Higher Education Area and the offer of stimulus packages for research. It is apparent that a traditionally governed Greek HEI cannot easily compete due to very limited funding (<1% of GDP going to HEIs).

The Effects of the Global Crisis on the Greek Economy and Society

The recent economic crisis in Greece is markedly different from the global one since it is the public sector that is at the root of the problem both in financial and social terms. This sector affected the product competition and the taxing of the private sector. In general, between 2001 and 2008, Greece reported budget deficits that averaged 5% per year, compared to the Eurozone average of 2%. But its current account deficits averaged 9% per year, compared to Eurozone one of 1% [3].

Greece funded these twin deficits by borrowing in international capital markets, leaving it with all-time high external debt (115% of GDP in 2009, projected to 150% in 2013). The economic crisis of 2008 has led to severe cuts of public expenditure of at least 20% per year, according to the agreement between IMF/EU-Greece. (Other countries, which have experienced cuts ranging from 5-10% include Italy with 10% (albeit over 3 years), Estonia 10% in 2010 (in addition to the 7% of 2009), Ireland with a cut of 9.4% in 2010 (following a 5.4% in 2009), the UK with 6.6% (between 2010 and 2013), as well as Lithuania with 8% and Romania with 10%.

The years immediately before the crisis were characterised by a combination of easy credit conditions, low risk premiums, aggressive lending practices and less disciplined risk management and underwriting standards. The collapse of the sub-prime housing market in the United States has been followed by a global credit crunch, and falling asset prices, with serious implications for the real economy. Economic growth is negative and reversal remains uncertain, since the deficit in both Government and in exports remains high. Unemployment is officially projected to rise, exceeding 12% mainly in the 25-35 age group. It is likely that housing costs will remain high, particularly for those in rental accommodation. Demand for social services (including residential aged care, housing, nursing and pension services) is, and will rise substantially, in the short-term, in many areas outstripping the capacity of state agencies. With

all these key drivers, acceleration in inflation, coupled with negative economic growth and rising unemployment, it is evident that cost-of-living has been mounting. Medium-term depression is projected to increase, which is of particular significance to low-income households, who spend most of their household budget on essential items, leaving minimal scope to reduce expenditure in discretionary areas as conditions tighten.

Key Implications for Higher Education

The USA's *Toxic House Market Crisis* did not directly hit the HEIs as they are not allowed to invest in stocks, bonds, etc. However, the Greek crisis, due to a large deficit led to severe public cuts that affected both current finance of HEIs and also the already agreed by the State and running four-year plan. These cuts include:

- A 17% per year cut of the staff (academic and administrative) salaries;
- New tenure posts have been cancelled and many currently offered were withheld;
- Retired administrative staff being replaced only in a 1 to 5 ratio, resulting in a staff to student ratio of 1 to 200;
- Reduced public investments and a decrease in private funds donations or cooperation of a troubled private sector for research, development and testing;
- Cancellation of postgraduate courses that are not fully and externally financed, with the future of at least the non *standard* undergraduate programmes is at stake, with many departments/degrees to be wiped out.

GOVERNING HEIs

Higher Education Future Trends (2030)

The OECD's Centre for Educational Research and Innovation (CERI) put forward four scenarios for the future models of higher education [4]:

- a) *Open Networking*: in this scenario, higher education is much internationalised and involves intensive networking among institutions, scholars, students and with other actors such as industry. It is based more on collaboration than on competition. The increased networking of institutions and the gradual harmonisation of systems allow students to choose their courses from the global post-secondary education network, and to design their own curricula and degrees. Within some restrictions, as set out by the academic profession in international conventions, students have a great deal of autonomy. They often study abroad and take courses offered exclusively on-line, which can be completed anywhere.
- b) *Serving Local Communities*: in this scenario, higher education institutions are focused on national missions. They are embedded in their local and regional communities, and are dedicated to addressing local economic and community needs in their teaching and research. As is currently the case, higher education is mainly publicly funded and administered. Academics are treated as trusted professionals and have control over the education and research processes. A small number of *elite* higher education institutions and research departments are linked to international networks (although some barriers to internationalisation exist), and maintain their position in top national ranks.
- c) *New Public Responsibility*: in this HE is primarily publicly funded, as now, but with greater focus on the use of *new public management* tools, including market forces and financial incentives. HEIs are autonomous (or legally private). However, HEIs take advantage of foreign education markets, the deregulation of tuition fees, the patenting of their academic research and their growing financial links with industry to diversify their funding sources. The boundaries between public and private HEIs have blurred, as most resources of university are private, coming from student tuition, and support from business and private foundations.
- d) *Higher Education Inc.*: here, higher education institutions compete globally to provide education services and research services on a commercial basis. Research and teaching are increasingly disconnected, as they have always been in the General Agreement on Trade in Services (GATS). They concentrate on what they consider to be their core business - either teaching or research. Research universities, thus, hardly teach whereas most vocational and general institutions concentrate almost exclusively on teaching.

European Union's Structural Measures for Higher Education

Since the mid-1990s, higher education institutions worldwide have confronted enormous challenges, including the need to respond to wider societal issues and greater demand for access. In the EU, the Bologna Process (in Sorbonne, 1998) took a stakeholders approach as guidelines for HE reform, which actually has led to cooperation between universities and society represented by various public bodies. In 2000, the European Council launched the Lisbon strategy. It also put HE and research at the centre of policies to improve the quality and effectiveness of EU education and training, to ensure that these systems are accessible to all, and promote lifelong learning at a pan-European level.

Governance Models

Public universities that previously functioned in quasi-monopolistic positions in higher education systems now face exposure to more global competition. Mechanisms, such as the General Agreement on Trade in Services (GATS), with

tertiary education as one of its trade related sectors, facilitate the expansion of university offerings across national borders. Through such global structures HEIs are now international enterprises that offer educational services beyond their territorial state boundaries. Other global institutions such as the OECD, the World Bank, the IMF and the European Union (EU) are imposing global demands on higher education.

Another shift in HE governance is the emphasis on the *3Es*: efficiency, effectiveness and economy. Efficiency refers to obtaining more outputs with fewer inputs, while avoiding delays, and, it is emphasised even more during times of financial constraint. There has been significant pressure on HEIs to be efficient and responsive. Effectiveness is the achievement of set objectives and desired outcomes with minimal cost. Therefore, the universities have to operate in a new competitive environment, but they also operate under a shortage of public funds and are seeking alternative sources of funds. This is causing HEIs to make major organisational changes to become financially more self-sustaining, and to maintain their educational programmes.

Many of these changes have resulted in the restructuring of governance systems. One approach used to achieve the *3Es* is the adoption of managerialism in higher education and the allocation of authority, responsibility and resources within institutions. But this differs substantially among regions, nations, and institutions [5]. This suggests that changes occurring in educational organisations, although sharing some defining parameters globally, vary greatly across regions, nations and localities. Unfortunately, there has been no empirical investigation of the governance restructuring at the Greek HEIs during last decade.

The literature provides a range of schematic models of higher education governance including the collegial, the bureaucratic, the organised anarchy model, the professional bureaucracy and, more recently, the entrepreneurial university, the enterprise university model and the corporate/managerial university. These models can also be understood as archetypes [6]. Of course, implementation of each model may vary, the scope of change can be incremental or radical and the implications can differ after restructuring.

Relations with State

In the case of public universities, the government - university relationship is a key element of governance. Changing this relationship often results in changes in governance. For example, a shift from control and regulation of higher education by the state to self-regulation by universities typically requires that institutions restructure. The calls to restructure stem from the perceived weaknesses of traditional governance structures to cope with changing demands and volatile external environments.

Traditional governance structures that rely on bureaucracy and collegiality are considered suitable for dealing mainly with routine issues and, therefore, the question of whether higher education governance needs to be restructured is largely moot. The issue is not if, but how governance should be restructured. Governance restructuring is a change activity in which an organisation's governance is redesigned because it is perceived to be misaligned with its environment as in the Greek case [7].

PROPOSED RESTRUCTURE IN GREEK UNIVERSITY GOVERNANCE AND LEADERSHIP

Since the environment has changed drastically at least in the EU territory, the following research questions arise [8]:

1. What defines the direction of governance restructuring?
2. What is the scale and scope of governance restructuring?

Answering the first question involves, necessarily, the introduction of the main directives by the EU Council on Higher Education and Research: the European Higher Education Area and the EU Research Council. However, research, knowledge and innovation cannot be gained unless the university exercises its main goals namely research and education. Developing collaboration with other research centres and companies is a must. On the other hand, the university must also reproduce the country's scientists and high level state executives. Thus, it must excel in teaching. Funding must be diverse and not rely only on the state.

The university must respond to public issues and society's demands and be obliged to account for its work. Thus, the HEIs may act as corporate institutions in their external relations, retain their collegial air and autonomy, and be effective and, if possible, financially independent without charging students high prices for their services.

Thus, the changing higher education environment and its resultant impact on the strategic management of universities presents challenges to contemporary leadership. The turbulence of this sector in the last decade requires leaders to have the skills not only to manage change, but also to manage in times of change. With the emergence of an increasingly business-based paradigm in the management of HEIs, educational leadership is increasingly concerned with the strategic issues, which influence any typical enterprise organisation in the market place. This emerging business paradigm and the impact of an increasingly managerial approach on the leadership of HEIs have led to changing management responsibilities and practices of HEIs leaders, who now could be seen as executives. Whilst the collegial

approach to university leadership is still cherished by many of academic staff, corporate models and the evidence that business management principles are increasingly finding their way into HEIs, cannot be ignored.

The answer to the *second* question requires the introduction of three new elements into the governance process: corporate decision-making, university-wide strategic planning and increased responsiveness to stakeholders. Leadership in HEIs where, in recent times, a corporate management approach has been adopted, displays characteristics more akin to those found in business enterprises, where strategic planning and a more entrepreneurial attitude are the norm [9]. Dramatic change in the leadership roles of senior higher education personnel in recent years includes the emergence of new super hierarchies of senior university executives, with the role of the academic rector or vice-chancellor emulating the CEO of any large business. Deans, who have typically progressed through academic university ranks, are now also undertaking senior management duties with clear lines of accountability.

The governing bodies of the Greek HEIs are the council or senate currently constituted by the deans and the presidium (rector and vice-rectors) and the general assembly, which includes heads of departments, i.e. all academics. It comes as a big surprise that at the highest decision making body there are neither senior management members of administrative staff nor governmental or other external stake holders. The same body acts strategically and tactically. The assembly is an expansion of the council normally meeting very rarely only in budget approvals or regulation reforms. This organisational way is the same as a century ago and is no longer able to handle the modern organisation of a HEI and its contemporary problems. It cannot adapt to the changing environment and its members lack a managerial point of view. A necessary reform with reallocation of duties, clear distinction between bodies acting strategically and tactically, and autonomy on academic affairs leads to a reformed governance model such as:

- The university council (or senate) at the top level acting strategically;
- Three horizontal bodies;
- The Finance and General Purpose Standing Committee at the management and operational levels;
- The Strategy and Planning Standing Committee at SP level;
- The Committee of Deans (Head of Faculties) at the academic level, with all other bodies, sub-committees and activities allocated under the supervision and/or management of the above.

The University Council comprises the rector (or president), the vice-chancellors, the heads of the standing committees, the general secretary, the legal advisor of the HEI and the representative of local (provincial) government (with no voting right on strictly internal academic affairs). It acts strategically and decides on agreements with external stakeholders and other organisations.

The Finance and General Purpose Committee is a standing committee of the University Council that exercises the powers of Council in all matters connected with the receipt and expenditure of money and approving budget allocations.

The University Strategy and Planning Committee is a standing committee of the University Council that exercises planning functions in relation to the university's operations and provides guidance and advice on the strategic plan, including its budgetary requirement, implementation and periodic review. Members routinely address progress against the strategic plan at their meetings.

The Committee of Deans is strategically oriented and its main duty is to improve institution-wide faculty planning and to serve as a forum for the coordination of departments' programmes and courses. The faculty bodies are not reformed and they freely exercise their assumed academic duties.

The emphasis on this reform is based on a strategic planning regime that enhances accountability for the institution. Those who manage resources are held accountable for the achievement of strategic plan objectives. They can now be assessed using specific measures of attainment. Achieving greater planning coherence and coordination is further fostered through the vice-chancellors, by virtue of the creation of their offices and the right to attend and participate in meetings of the Committee of Deans. Therefore, the deans no longer participate at the University Council being solely dedicated at the governance of their faculties. This schema reflects on the following:

- The values, beliefs and ideology associated with the collegiality archetype that are consultation, reflection, consensus, and a process orientation [10];
- The corporate/managerial archetype as defined by the values and ideology of managerialism, which emphasises instrumental rationality, stressing the *3Es*, efficiency, effectiveness, and economy as the leading values in the governance of public higher education [11]. In general, there are three variants that may simultaneously be found at the same university: an efficiency oriented variant, a market oriented variant and a user oriented variant [12]. The efficiency variant emphasises productivity in performance and managerial control systems. The market variant emphasises competition, and the user variant focuses on quality of service and responsiveness. Further study can define which of the three variants is timely and appropriate through the finalisation of the EU HE area and research;
- The schema cannot be operative unless the state withdraws from its current extent of regulating and, in fact, *managing* the Greek HEIs and their resources. Especially in financial decisions, no committee can work efficiently,

if it cannot totally control the flow of money. With the exception of large scale infrastructures in which the local Governor can play an important role.

Leaders' Attributes

The current leaders of HEIs struggle to balance corporate management styles with the more traditional, democratic approach of collegial leadership. Although it appears to be an almost impossible demand for a university leader to provide the qualities required of a CEO or senior business manager, in conjunction with those of an academic leader of significant reputation, it also seems difficult for universities to choose between academic or purely corporate style leaders. The ideal profile for a higher education leader, and the qualities required to undertake such a role, appears to be very different from those of the past.

Members of the academic staff still perceive the members of the governing bodies to be distinguished scholars even if they have no experience in business, commerce, production or administration. The general schema proposed here relieves academic staff from tactical decision making and transfers that to people that can act as CEOs on most matters and to Deans for academia. On the other side, the highest body can be constituted by high scholars by requiring the rector and the presidium to be able to act strategically. Thus, the rector, for example, can be a leader with the generally acceptable meaning of the word: he can motivate people, have followers and bargain extensively with external stakeholders and bodies.

CONCLUSIONS

In conclusion, one can summarise the situation in the following key points:

- European higher education is experiencing a major paradigm shift. The ground rules for competitiveness and survival are changing radically;
- The residential campus' share of the education marketplace is shrinking, primarily the result of technology and competitively designed distance learning;
- The Greek (and EU) population demographics will strongly shift the focus of learning toward education during life and work from education for life and work;
- Partnerships and alliances among new and traditional institutions, research centres and corporations are extensively demanded;
- Traditional Greek universities have lost their exclusive franchise to certify learning, i.e. grant degrees, and are no longer the primary engines of knowledge, i.e. research;
- Therefore, a paradigm shift must occur in university leadership. The proposed approximation to the problem may result in the harmonisation of Greek universities – overcoming national fragmentation, breaking down institutional barriers, improve governance structures, making Life-Long Learning (LLL) a reality;
- It will contribute to a systematic curricula revision that will result in better employability of graduates at all levels - focus on competences and learning outcomes, increasing transparency and flexibility, and involving partners;
- It will also strengthen the *knowledge triangle* - teaching, research and innovation - as part of the drive for excellence;
- Strengthened executive leaders, governing boards and administrative staff/processes with weakened and smaller consultative bodies will result in increased importance of institution-wide strategy, increased internal and external accountability and diversified funding sources, adaptation and upgrade of infrastructure.

As emphasised earlier, this paper is an approximation based on the changed environment and directions of the EU for tertiary education. Needless to say, a detailed constitution on a HEI's organisation chart should be devised and any contradictions eliminated. But as a basic prerequisite, universities need more autonomy through changed legal frameworks.

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