THE STRATEGIC CAPACITY OF ACADEMIC INSTITUTIONS

Jean-Claude Thoenig, DRM-Dauphine

and

Catherine Paradeise, LISIS-UPE

THE ISSUE

A disrupted environment

- The academic environment is becoming more competitive, less stable and more uncertain
- Profound changes started since the last part of the 2000s :
  - worldwide massification
  - commodification of higher education
  - globalization and world standards
  - less taxpayer money and new steering tools

Strategic capacity as an issue

These changes imply for HEIs changes in internal and external interactions, with their members, and with society and polity. They require more strategizing to position themselves as competition increases and predictability decreases.

Our research perspective

Organizational capabilities shape strategic capacities of HEIs.

Identifying which organizational capabilities really matter have major implications for action taking:

- top-down approaches of strategizing are to a large extent fairy tales, (i.e. the man of providence, national steering policies and norms)
- to fabricate actual strategic positioning is to a large extent a co-production of a set of local social processes (a Gestalt of basic facets)
- a core competence required to manage HEIs is organizational development.

ASSESSING STRATEGIC CAPACITY

A guide to organizational sources of strategic capacities (1)

1. The **main time horizon set for implementation** and the way this time objective is defined and shared internally, as well as by external stakeholders (referenced public authorities, donors, etc.)

2. The **in-house stakeholders involved**, who actively participate in setting up the project

3. The **importance and credibility** lent to the strategy by the institution's members

4. The **outside actors and stakeholders within the action context**, who count (public authorities, steering and funding agencies, businesses, labour markets, activists of moral causes, trade unions, etc.)

A guide to organizational sources of strategic capacities (2)

5. **The identification of opportunities and threats for the future**, stemming for example from outside "competitors" (between universities, between ways of gaining access to employment opportunities, in the ways funding sources are accessed, in terms of student a

ttractiveness, etc.) or that are linked to new societal issues and demands

6. The **in-house resources available** and necessary to support implementation of the strategy, and more generally to be able **to highlight, to protect and if necessary reorganise the institution's tangible and intangible assets**

7**.** The way **opportunities are seized and threats avoided.**

Strategic capacity, not strategy! (1)

Academic strategy is often approached in a narrow sense (administrative recipes, procedural techniques) by « specialized » literature, that analyses:

- Policy statements and declarations;

- The role and activity of top-level staff, seen as principals of internal agents;

- Decision-making, not considering implementation, whereas implementation shapes strategy-making capacity, not the reverse.

Strategic capacity, not strategy! (2)

- Strategic capacity refers to how much an institution is able to line up its internal components to achieve some common ends, based on the capacities provided by its internal social processes.

- How each internal subunit makes itself **compatible** with the others, achieving a fit between internal differentiation and integration of the organization

  - shapes its identity, its priorities, its vision of university

  - reconciles its multiple identities as a member of the university as an organization and of a discipline.

-> Enacted strategic lines are explicitly **and** implicitly sustained by internal social processes.

EMPIRICAL BASES AND METHODOLOGY

Lessons from a comparative field level study.
The Prestence project

- 17 institutions; 6 countries (China, France, Italy, Spain, Switzerland, the USA), 2x3 departments per country
- Desk data + observation. About 700 in-depth interviews (1h30 on average) at all levels (mostly academics, but also chairs, deans, central management). Participant observations collected in many places
- Funded by the French National Agency for Research

See Paradeise C. and J.C. Thoenig (2015) *In Search of Academic Quality*. Palgrave, London.

An ideal type approach

- Apparently HEIs produce what they define as being academic quality in very diverse ways while combining at various levels resources and mobilizing social processes for that purpose. For instance, differences between national regulations do not explain differences between universities within a given country and similarities across several countries. The degree of tension varies according to specific characteristics of universities as specific local orders (March)

- An ideal type approach (as defined by Max Weber) helps make sense of such a diversity.The Prestence project defines universities as local orders trapped between two regimes of quality (Merton) that redesign the meso-social order in which they are active

Two quality regimes

Type of judgment	Mode of production	Source	Type of knowledge
Prestige = Diffuse social valuation *Uniqueness*	Opinions. Endogenous valuation by specific social groups (academic elites, social elites, alumni, social networks)	Based on socialization. Contingent to a context (local, social, disciplinary).	Synthetic cardinal judgment that may vary across social worlds : experience-based intuition
Excellence = Formalized valuation *Commensuration*	Measurement. Exogenous valuation by third parties (agencies, medias, etc)	Impersonal, global (international), non-contingent	Indicator-based (ordinal) analytical judgment that opens the black box

Regimes and types

Attention to Reputation

+

VENERABLE

2%

TOP OF THE PILE

3%

-

Attention to Excellence

+

MISSIONARY

93%

WANNABE

2%
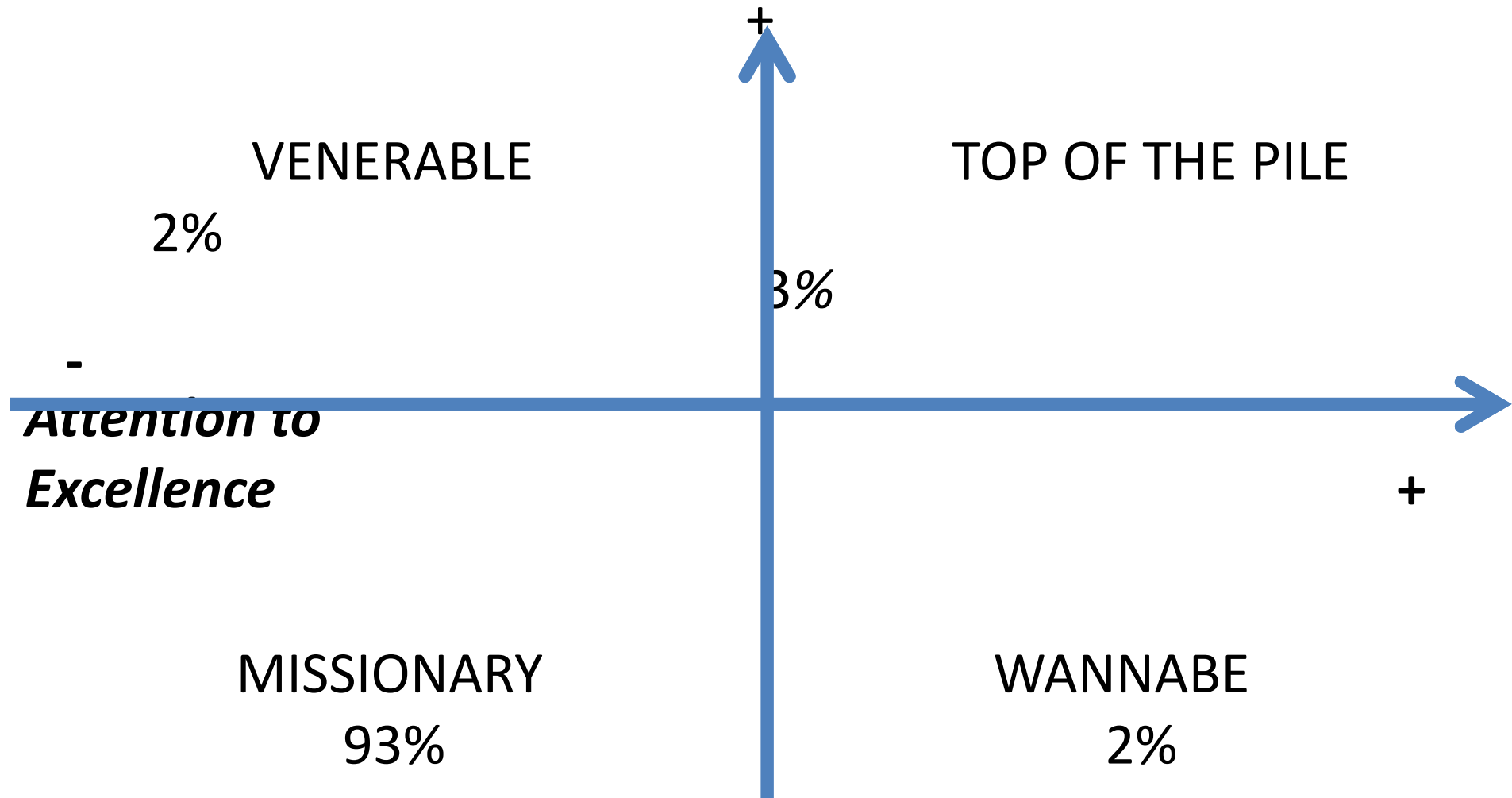
see Thoenig J.C. and C. Paradeise. 2016. « Strategic Capacity and Organizational Capabilities. A Challenge for Universities ». *Minerva,* forthcoming.

ORGANISATIONAL CAPABILITIES OF STRATEGIC CAPACITY

Strategic Capacity (1)

	Misssionary	Venerable	Wannabe	Top of the pile
Time horizon taken as reference	Short-term	Short-term	Short-and mid-term	Mid-and long-terms
Importance allocated to this time horizon	Low	Low	High	High
Attention paid to competition dynamics	Low	Low	High	High
Attention paid to national and international academic contexts	Low	Low	High	High
Attention paid to necessary resources	Low	Low	High	High
Attention paid to the operational application of the strategy	Low	Low	High	High

Strategic capacity (2)

	Missionary	Venerable	Wannabe	Top of the pile
The role played by the heads of the HE institution in building and scheduling the strategy	Rather strong	Weak	Very strong	Strong
The role played by the academic community in building, scheduling and implementing the strategy	Weak	Strong	Weak	Strong
The importance of the strategic framework as perceived by the academic community	Secondary	Secondary	Priority	Priority
How the academic community interprets the status of the strategic project	Speech by the management A procedure	Speech by the management A procedure	Ambition of the management	Commitment endorsed by the whole community
The level of strategic capacity of the institution	**weak**	**weak**	**strong**	**strong**

Three social processes or properties that matter

- Human resource management

- Cultural norms of belongingness

- Governance

Human resource management of academics

Ideal-type of institution	MISSIONARY	VENERABLE	WANNABE	TOP OF THE PILE
Relative importance lent to…				
… Research missions	Little at the institutional level Variable at level of a single department	Moderate to great	Great	Great
… Teaching missions	Moderate at the institutional level Variable at level of a single department	Moderate	Moderate	Great
… Administrative responsibilities	Little to moderate	Little	Little to moderate	Great
What mission matters most?	Teaching	Research	Research	Research
Attention paid to assessing these activities	Low at the institutional level Variable at level of a single department	Moderate	High	High
Who counts in defining assessment standards?	Colleagues of the same department and discipline	Senior professors of the institution	General management based on professional standards	The local academic community + the professional invisible outside college
Which standards make the difference in assessing academic performance?	According to departments	According to departments and chair holders	Publication numbers in recent years in top-rated journals	The talent and promises anticipated of single faculty members

The salience of cultural characteristics specific to the institution of affiliation

Ideal-type of institution	MISSIONARY	VENERABLE	WANNABE	TOP OF THE PILE
Relative	importance lent to…			
Social status associated with being a member of the university	Moderately high	High	High	Moderately high
Image attached to the social status of member of the institution	Teacher	Academic	Knowledge worker	Teacher
Strength of local standards and values	Weak	Strong	Weak	Strong
Socialization processes of faculty members	In situ, and through personal learning	In situ by statutory peers	Outside the institution by the disciplinary community	In situ, and through personal learning
The academics loyalty to his./her institution	Moderate	Strong	Weak	Strong

Organizational governance

Ideal type of institution	MISSIONARY	VENERABLE	WANNABE	TOP OF THE PILE
Relations between academics	Peers bound together by equality	Colleagues who are members of the same meritocracy	Competing individuals inside the institution and on the academic market	Members of the same "total" community
Valuation of management roles fulfilled by a faculty members	Little or not at all	Little or not at all	Valued	Valued
Power sharing between management and academics	Weak management. Quite weak academics	Weak management. Strong teaching staff	Strong management. Weak teaching staff.	Strong management. Strong teaching staff.
How the institution works as an organisation	Centrifugal. Weak integration amongst its components	Centrifugal. Weak integration amongst its components	Centripetal. Strong integration amongst its component	Neither centrifugal nor centripetal