

U.S. Higher Education Governance: New Public Management Reforms and Future Predictions

Jon Maes

Masters in Research and Innovation in Higher Education (MaRIHE), Danube University Krems, Krems, Austria.

Contact: jon.m.maes@gmail.com

Bio: Jon Maes is currently a graduate student in the Erasmus Mundus Masters in Research and Innovation in Higher Education (MaRIHE). Before joining the MaRIHE programme, he completed a year of studies at Drexel University for a Master of Science in Higher Education with a focus on Global and International Education. His research interests mainly consist of topics relating to higher education governance, higher education policy, campus operations, and internationalization processes.

Suggested citation: Maes, J. (2015). U.S. Higher Education Governance: New Public Management Reforms and Future Predictions. *Working Papers in Higher Education Studies*, 1(1), 90-113.

The article is available online at: <http://www.wphes-journal.eu/>

U.S. Higher Education Governance: New Public Management Reforms and Future Predictions

Jon Maes

United States higher education involves a span of nearly four centuries stretching back to the first colleges and universities established during the Colonial Era. In focusing on New Public Management (NPM) reforms since 1975, this paper highlights important developments that have impacted decision-making on American college and university campuses in the last four decades. Utilizing de Boer, Enders and Schimank's Governance Equalizer Model for measuring power sharing configurations across five dimensional influences, three main findings are: (1) the rise of outside forces through increased federal regulation and external guidance, (2) internal conflicts resulting from heightened managerial self-governance trading off with academic collegiality, and (3) evolving competition that includes for-profit institutions and digital technologies adding to the challenge of accumulating resources. In following these trends, predictions are offered about how U.S. higher education systems are likely to continue making improvements along NPM lines of efficiency, accountability, and quality assurance as well as the implications this has for future research

Key words: new public management; United States higher education; governance equalizer model; higher education reform; future predictions.

Introduction

"The idea that higher education could reform itself or even that it maintained consistency in its goals and processes was outstandingly archaic in a system as large as this one had become" (Cohen and Kisler, 2010, p. 415).

U.S. higher education is a vast network of institutions that operate on approximately \$450 billion dollars each year with 3.7 million employees and 26 million credit seeking students (U.S. Department of Education, 2013). Admired around the globe, U.S. higher education degrees are the most sought after by both American students and foreign students that leave their home country to study abroad (OECD, 2014; Open Doors,

2014). U.S. higher education institutions (HEIs) have also been the leading international influence on modern research-oriented university models for over a half century (Wittrock, 1996; Bishop, 2006).

However, this is surely not to say that U.S. higher education is without criticism. Altbach (2011) characterizes the present situation “as a period of significant strain” (p. 227). Blumenstyk (2014) even goes as far as to defend that American higher education is in a state of crisis. For starters, mounting discontent among students and their parents is justified in the face of escalating tuition prices and education loan debt exceeding USD \$1.2 trillion. While much work has been done for opening student access to HEIs in the past half century, there is evidence that inequalities are again on the rise. Other challenges include continued cuts in government spending on higher education, claims that HEIs are wasteful and inefficient with funding, disappearing tenure professorships creating uncertainty for enlarging ranks of contingent faculty, the political divisiveness of for-profit institutions, and the list goes on.

Bearing in mind these opportunities and challenges for U.S. HEIs, the aim of this paper is to present broad reform trends since the mid-1970s as groundwork for making predictions about U.S. higher education governance in the decades to come. To accomplish this end, there are three main objectives: (1) a brief review of literature on the topic of higher education governance in the United States over the past 40 years, (2) classifying the reform trends within the five dimensions of de Boer, Enders and Schimank’s Governance Equalizer Model, and (3) using these findings to speculate what the future of U.S. higher education governance may look like. In total, these tasks are to not to be considered comprehensive, but as a means of encouraging additional research on the subject, especially in terms of system variances at the state level where the majority of control over higher education governance remains.

a) Literary Foundations

Two principal resources serve as the foundations for this literature review. First is Cohen and Kisker’s (2010) *The Shaping of American Higher Education: Emergence and Growth of the Contemporary System*. This textbook assists to establish the historical perspective for tracing U.S. higher education governance reform trends. There are other definitive works that broach this topic, notably John Thelin’s *A History of American*

Higher Education (2011) and Frederick Rudolph's *The American College and University: A History* (1990). However, what makes Cohen and Kisker stand out is that governance and reform are integral aspects of their narrative approach to the retelling of American higher education history. Specifically, they divide their subchapters to clearly follow the range of actors that influence higher education, from different institution types and finance to faculty and students along with summative outcomes of each era. In this respect, Cohen and Kisker's emphasis on the impact that historic developments have had on the current situation of higher education in the U.S. assists in outlining changes to U.S. higher education governance over time.

Second is de Boer, Enders and Schimank's chapter *On the Way Towards New Public Management: The Governance of University Systems in England, the Netherlands, Austria, and Germany* (2007). Their joint research sets the theoretical framework for evaluating U.S. higher education governance mechanisms. The five dimensions also provide a practical language for comparing higher education systems from country to country, relevant for multinational contexts. Further details about the Governance Equalizer Model are discussed in subsection 1.3.

When all is said and done, the absence of primary sources is an acknowledged research limitation. A wider range of qualitative and quantitative techniques would give added weight beyond an initial review of the literature; for example, interviewing scholars, administrators, and government officials working in college and university about topics related to higher education governance. However, such an enormous academic project is beyond the scope of this paper with the topic of future research being considered in section 4.

b) Theoretical Framework: NPM and Governance Equalizer Model

As a starting point it is important to keep in mind that studies in higher education governance are relatively short-lived when placed against the historical backdrop of all academic research fields. In fact, prior to the mid-twentieth century, scholarly investigations of higher education systems were limited to isolated pockets within the social sciences and mainly from sociological or anthropological perspectives (Clark, 1973). The aftermath of World War II saw greater interest in higher education governance as massification caused student enrolment rates to soar and diversify

(Amaral and Magalhães, 2013). At the same time, concerns for higher education governance also grew out of the recognition that universities, industry, and economic prosperity for individuals, nations, and the global community are strongly interconnected (Cohen and Kisker, 2010, p. 252-253). It is from these events and perspectives that New Public Management (NPM) and the international conversation for comparing higher education governance emerged.

New Public Management

NPM is a term used to describe a paradigm change in public sector management that is said to have begun in many OECD countries during the late 1970s (Hood, 1991). As its name suggests, NPM arose out of criticisms that national government approaches to public services had become too highly centralised and bureaucratic resulting in wastefulness, ineffectiveness, and poor managerial performance (1991). In response, private sector organisational structures and market mechanisms became the foundations for prescribing solutions (1991). As a combined set of doctrines, the multitude of commentators and differences in NPM movements around the world make it a difficult concept to define (Hood, 1995). However, there are main tenets that apply across varying accounts of NPM. Hood identifies five themes as the most common:

...the idea of a shift in emphasis from policy making to management skills, from a stress on process to a stress on output, from orderly hierarchies to an intendedly more competitive basis for providing public services, from fixed to variable pay and from a uniform and inclusive public service to a variant structure with more emphasis on contract provision. (1995, p. 95)

In the United States, NPM gained momentum under the Regan administration in the 1980s and matured through the Bush and Clinton administrations during the 1990s (Henderson, 2005). While NPM did not single out the higher education sector, colleges and universities certainly felt its effects along with other public services including health care and social security (Lorenz, 2012). For higher education governance, it was during this latter part of the 20th century that words like 'compliance' entered the vocabulary. The Four A's - Access, Attrition, Affordability, and Accountability - also became major objectives of the public agenda (Cohen and Kisker, 2011; Altbach, Gumport and Berdahl, 2011).

There were two initial drivers for the spread of NPM in U.S. higher education. First is the accelerated student population expansion that occurred during the Massification Era (1945-1975). In less than 30 years, the enrolment numbers in HEIs climbed from 1.6 million to over 11 million (Cohen and Kisker, 2011). This placed a heavy burden on HEIs to build facilities and services that could support such unprecedented amounts of students. Meanwhile, the second is what Lyall and Sell (2006) label as ‘de facto privatization’ or substantial government spending reductions that resulted in greater autonomy for HEIs. Specifically, most states in the 1980s provided financial assistance that covered over 50 per cent of public HEIs’ operating budgets; however, that percentage fell to less than 30 per cent on average by the 2000s with some colleges and universities receiving as little as 10 per cent (Lyall and Sell, 2006; Cohen and Kisker, 2011). Rising higher education costs and declining government funding caused HEIs to turn to private revenue sources; namely, students, parents, alumni donors, corporations, and non-governmental organisations. As the government’s investment share shrank, financial contributions from external stakeholders grew, which gave them more influence over higher education decisions. The pressure was on for HEIs to perform in terms of quality and efficiency, especially as tuition prices skyrocketed (Lyall and Sell, 2006; Cohen and Kisker, 2011). Colleges and universities reacted by implementing NPM reform policies and practices. Some examples include strengthening managerialism, redirecting portions of budget allocations from academics to projects for enhancing student experience, adopting technological solutions, and experimenting with course design (Lyall and Sell, 2006; Cohen and Kisker, 2011). Generally speaking, competition in U.S. higher education intensified as market demands for streamlining costs and improving quality spread from coast to coast.

Governance Equalizer Model

Recognizing the governance perspective that developed alongside NPM, de Boer, Enders and Schimank created a tool for comparing trends across higher education systems. Titled the Governance Equalizer Model, it identifies five dimensions of *state regulation*, *external guidance*, *academic self-governance*, *managerial self-governance*, and *competition*. Power sharing configurations within higher education settings then are the “specific mixture of the five dimensions at a particular point of time” (2007, p. 4).

To further clarify, state regulation and external guidance are the outside forces that influence higher education systems; state regulation being the policy directives that are imposed on HEIs through various modes of government intervention such as legislation, funding mechanisms, and judicial precedent. However, government entities are also stakeholders along with other groups that have an invested interest in colleges and universities such as representatives of industry, trustees, regents, community organisations, and advisory boards. Managerial self-governance and academic self-governance are categories that consider internal authorities in college and university settings. The managerial side of the spectrum consists of administrators in pyramidal structures that supervise campus operations. Residing at the top are presidents, chancellors, and other executive staff followed by deans, office directors, and middle management, with entry-level staff at the bottom. On the other hand, academic self-governance takes a more horizontal approach to decision-making processes while faculty and academic departments typically rely on collegiality and peer review. Lastly, competition is the environment where HEIs are vying to accumulate resources that are in finite supply. Examples include attracting talented students and professors, public funding, private endowments, and research grants.

The Governance Equalizer Model's effectiveness is rooted in its multifaceted lens for observing higher education governance arrangements. It takes into account various contributing actors as a means to more accurately represent governance systems, rather than "one-dimensional 'either-or'" characterizations (Fried, 2006, p. 87). The Governance Equalizer Model also provides a common language for describing and analysing higher governance systems internationally. This is shown in the expanded use of the Governance Equalizer Model since launched by de Boer, Enders, and Shicmank launched in 2007. Initially applied to England, Austria, Germany, and the Netherlands, scholars outside of Europe have shared Governance Equalizer Model narratives, Australia (Swansson, Mow and Bartos, 2005) and Ethiopia (Abebe, 2012) being two noteworthy examples.

U.S. Higher Education Governance Yesterday and Today

To a greater extent, nearly all aspects of contemporary U.S. HEIs can be traced back to the first American colleges and universities founded during the Colonial Era (1636-1789) and Emergent Nation Era (1790-1869) (Cohen and Kisker, 2011). While the

entire 375 years history of American higher education fills volumes of books, there are general trends since the start of the nation that provide an initial guide of background information for the events leading up to NPM's entrance.

Figure 1. Trends in U.S. Higher Education

Social Context	Expanded nation and economy; increased demands and expectations
Institutions	Diverse; multipurpose
Students	Greater access
Faculty	Professionalization; part-time; fungible labour
Curriculum and Instruction	Vocational; variation of disciplines
Governance and Administration	Secularisation; larger units; decentralisation; corporatisation
Finance	Public funding; fiscal cutbacks; privatisation; entrepreneurialism
Research and Outcomes	Individual mobility; societal and economic development

(adapted from Cohen and Kisker, 2011, p. 4)

Interrelations between the above-mentioned categories show how changes in U.S. higher education closely parallel the nation's social context. At the outset, student enrolment surges during the Massification Era (1945-1975) were directly related to growth in population and economic prosperity that the U.S. experienced after World War II. This left HEIs racing to cope with rapidly increasing student enrolments. Correspondingly, new federal regulations widened higher education access for historically underrepresented groups. HEIs responded to diversifying campus ecologies and federal reporting obligations by hiring additional staff, opening extra classes, and building new facilities.

As colleges and universities continued to enlarge in size, frequency, and complexity during the Consolidation Era (1976-1993), the need for NPM precepts, such as professionalised staff and efficiency, became all the more apparent. Greater fiscal

pressures were also placed on HEIs as federal and state appropriations for higher education started to reduce. This forced HEIs to rely more heavily on old sources of income (e.g. tuition and fees) and to seek alternative revenue streams (e.g. private research contracts and enlarged fundraising campaigns). In direct correlation, students, parents, alumni donors, corporations, and private organisations gained control over higher education decision-making as their financial contributions overtook government funding. External stakeholder demands included the Four A's public agendas for higher education (as mentioned in section 1.2.1) and calls for career-focused curricula that better prepare students for the workforce. Collectively, these trends made NPM ideologies, practices, and management structures all the more attractive to HEIs as they sought to survive and achieve sustainability in the decentralising and competitive higher education environment. Progressing into the Contemporary Era (1994-Today), the following subsections will elaborate on these topics.

a) The Rise of State (Federal) Regulations and External Guidance

At first glance, national government involvement in U.S. higher education may seem all but non-existent in comparison to other countries such as the welfare states in Europe. Some of the noticeable differences are that in the U.S there is no centralised authority over higher education, no national universities, and federal appropriations contribute to less than 20 per cent of current-fund revenue that HEIs receive for campus operation (U.S Department, 2013). These realities are partially due to the multifaceted national-state partnership under the American federalist political system. With the U.S. Constitution reserving powers over education to state governments, the federal government has played a supplemental role for most of the country's history.

However, the end of World War II witnessed a significant expansion of federal intervention in higher education, increasing its authority in three main policy domains: student financial aid, university-based research, and social justice (Schmidtlein and Berdahl, 2011, p. 80). As Olivas and Beiz (2011) note "higher education has undoubtedly become legalized, by traditional means of legislation, regulation, and litigation as well as by the growing areas of informal law-making, such as ballot initiatives, insurance carriers policies, and commercial law in research" (p. 190). Through these legal jurisdictions the federal government has amassed greater control

over higher education by placing rules and regulations on HEIs that are commonly tied to funding either directly or indirectly.

One example of a federal regulation that has had a substantial impact is the Higher Education Act of 1965 (HEA). Including HEA amendments between 1968 and 2008, its provisions comprise of tuition grants and loans, increased funding for campus services that support disadvantaged students, and the directive that each state had to establish higher education coordinating boards (Higher Education, 2008). From NPM and quality assurance standpoints, HEA has greatly increased transparency and reporting obligations for colleges and universities. To illustrate, the following is a list of data that HEIs must now disclose: (1) tuition costs with reasons for net increases, and reduction steps being taken, (2) textbook information for each course offering that allows students to seek out less expensive resources, (3) annual reports from teacher preparation programmes such as assessment mechanisms, state licensing examination results, how teacher training responds to critical state shortages/local needs, and descriptions of activities to assist teachers use technology in the classroom, (4) general institutional statistics including campus crime, drug and alcohol abuse prevention, fire safety, broadened student enrolment demographics, federal financial aid recipients and rates of retention, graduation, financial aid awards, and student loan defaults (Higher Education, 2008). Additionally, these unfunded mandates are imposed on HEIs with little to no guidance or financial assistance for implementation and the risk of losing federal funding in cases of noncompliance (2008).

In addition to new federal regulations is the influence of external stakeholders over U.S. higher education governance. Harclerod and Eaton (2011) classify these forces into three sectors of voluntary, private, and public enterprises. Each has a growing stronghold over institutional policies and decision-making based on their particular areas of concern.

The voluntary enterprise sector consists of various non-profit organisations that have an invested interest in college and university operations. One that works closely with the federal government is the extensive network of accreditation agencies led by the Council for Higher Education Accreditation (CHEA). Established in 1996, CHEA is the largest college and university membership organisation in the U.S. in having 3,000

degree-granting institutions and 60 accrediting bodies under its umbrella (Harclerod and Eaton). Joined by approximately 40 other accreditors that have been formally recognised by the Department of Education, they serve as the ‘gatekeepers’ for the \$80 billion in government funds that are allocated to colleges and universities annually (Schray, 2006). In other words, eligibility for federal and state financial aid and research grants depends on meeting and maintaining accreditation standards. To this end, accreditation agencies shape day-to-day affairs on college and university campuses such as student-to-faculty ratios and staff qualifications. They also effect spending decisions by setting minimum requirements for libraries, laboratories, classrooms, workstations, and other facilities.

Another example of a voluntary enterprise that exercises great influence over U.S. higher education is the National Collegiate Athletic Association (NCAA). As the preeminent governing body over intercollegiate sports, the NCAA has a membership of over 1,200 schools, conferences and affiliate organisations (NCAA, 2014). Their operating expenses total around \$650 million with 90 per cent of their revenue coming from television and marketing fees that the NCAA collects from their college sporting events (Nauright and Parrish, 2011). As an economic agency, the NCAA wields control through the commodification of college sports in “regulating eligibility and financial aid, policing and penalizing rule violations and pooling and distributing revenues” (2011, p. 312). The NCAA also cannot be separated from arguments that HEIs with Division 1 athletic programmes are unequally allocating financial resources. Two of the more vehement points of contention are that head coaches are the top paid public employees in nearly all states and the construct of multimillion dollar fitness centres and stadiums are becoming more routine (Blumenstyk, 2014; Newman, 2014; Desrochers, 2013).

Private enterprises are for-profit entities that work closely with HEIs. In recent decades, these types of relationships have become stronger and more frequent as colleges and universities seek new funding sources to replace shrinking federal and state appropriations such as corporate endowments and research contracts (Cohen and Kisker, 2011; Lyall and Sell, 2006). The growing interdependence between HEIs and the industries that support them has given companies considerable sway over higher education agendas. A study conducted by Pusser, Slaughter, and Thomas (2006) also

shows how corporate executives directly influence policies and decision-making as voting members on higher education governing boards. Coining the term ‘trustee interlock’, they discovered that over 60 per cent of the trustees at the universities they researched also hold board memberships in private corporations (2006). Their conclusion is that these overlaps between university and corporate governing boards have had a conspicuous effect on U.S. higher education. Examples include the establishment of presidential compensation packages, increased salaries for full-time professors, and equity interests in faculty discoveries that give companies access to university intellectual property (2006).

b) Internal Conflicts between Managerial Self-Governance and Academic Collegiality

While the origins of managerialism in U.S. higher education can be traced back as early as the 1800s (Cohen and Kisker, 2011), managerial self-governance certainly intensified after NPM arrived on the scene during the 1970s. With massification, privatisation of funding, and increasing stakeholder demands, HEIs soon learned that previous administrative approaches from the first half of the 20th century were ill-prepared for the rapidly changing higher education landscape. New managerial structures and enlarged bureaucracies were unavoidable. HEIs implemented organisational designs that utilised corporate models in pursuit of greater efficiency and effectiveness at all levels of campus operations. The view of colleges and universities as businesses became more and more pervasive. According to Whitney (2006), higher education had become a market that viewed “state taxpayers [individuals and corporations] as stockholders, boards of trustees and regents as boards of corporate directors, university presidents as general managers, and students and parents as consumers” (p. 32).

Despite reductions in public funding, state governments began holding HEIs to account for serving the public good. Nearly every state had assessment mechanisms in place by 2010 that rewarded or penalised colleges and universities based on set performance outcomes such as degree completion rates and graduate employability (Cohen and Kisker, 2011). As a result, HEIs had no choice but to find ways of doing more with less under threat of adverse publicity, funding cuts, and/or programme elimination (2011).

Consequently, increased federal regulation, external guidance, and managerialism have all come at the expense of academic self-governance as scrutinising of efficiency and productivity trickled down to academic departments. This is in consideration of the faculty's relatively low participation in decision-making processes to begin with. Even during the Colonial Era, college and university presidents were the only representatives from academia that served on governing boards, but they quickly became more devoted to administrative duties than to teaching (Cohen and Kisker, 2011). There is evidence that faculty gradually gained control over curriculum and the inner workings of their departments; however, such achievements were not widespread and in many cases have displayed signs of reversal in the contemporary era (2011).

There are a number of explanations for this turnaround. One generalisation is that faculty and administrators - along with the growing influence of external stakeholders as discussed in section 2.1 - hold central notions about the mission of higher education that are inherently opposed to each other (Ginsberg, 2011b; Altbach, 2011; Roger, 2012). This is especially true in regards to the areas of teaching, research, and academics. For example, professors characteristically believe that higher education institutions exist to promote teaching and research while administrators see these endeavours as the means for bringing in fee-paying customers and private investors. Most professors support supply-side curriculum and preserving core liberal arts education, in believing that faculty know what is best for their students. Conversely, administrators follow the demand-side in allowing external stakeholders to dictate the subjects that students learn. In the end, the faculty are continuing to lose this debate as shown by National Association of Scholars study confirming that the overall trend at U.S. colleges and universities is a reduction in core liberal arts courses as higher education programmes become more vocational (as cited in Ginsberg, 2011b).

The use of contingent faculty to replace full-time professorships is another significant change. In 1975, adjunct instructors in all HEIs increased to 30 per cent, up from 22 per cent five years prior with those at community colleges increasing from 40 to 50 per cent during the same time period (Cohen and Kisker, 2011). Over the next 30 years, these faculty characteristics remained steady as administrators searched for ways to save money and cut costs. Adjunct professors became particularly appealing as sound business practice in their receiving comparably lower salaries and their part-time status

disqualifying them from most employment benefits (2011). This led to the number of part-time instructors reaching as high as 60 - 70 per cent at some institutions (Blumenstyk, 2014). On the contrary, however, this did not result in administrative staff reductions. Hiring of non-faculty personnel rose 240 per cent since 2005 and full-time administrators now outnumbering full-time faculty by 2 to 1 (Ginsberg, 2011a; Roger, 2012). These statistics show the shift in priorities towards managerialism of campus operations rather than on academics.

Furthermore, these employment circumstances have had a noticeable effect on academic collegiality. For one, contingent faculty are routinely excluded from shared governance activities and collective bargaining negotiations while the concerns of tenured and full-time professors are given precedence (Cohen and Kisker, 2011; Roger, 2012). A case is also made that the higher the number of contingent faculty an HEI has, the greater amount of control that administrators have over academic programmes (Cohen and Kisker 2011). These dynamics are leading to faculty fragmentation as a growing number of adjunct professors become overworked and disinterested in the HEIs they work for (Moser, 2014; Blumenstyk, 2014).

c) Struggles for Financial Resources in a Highly Competitive Market

Competition between U.S. colleges and universities was high even before NPM. HEIs are constantly striving to show that they are better than they used to be and better than the rest. Rankings have become the primary measure for this in the pursuit to be #1. Beginning with the U.S. News and World Report's first index in 1989, the entrance of global rankings by Shanghai Jiao Tong University and Times Higher Education in early 2000 further intensified this trend. As described by Rauhvargers (2013), this fever for status is the pragmatic belief that "an impressive position in the rankings can be a key factor in securing additional resources, recruiting more students and attracting strong partner institutions" (p. 26). In this respect, and in light of HEIs becoming more reliant on private sources of revenue, one's rankings are a basis for accruing tuition, research grants, alumni contributions, and corporate endowments.

Another spreading phenomenon is the race for HEIs to add more programmes and facilities. This is a major contributor to soaring expenditures in adhering to the perception that climbing up the prestige ladder entails having the best amenities. In

boasting the biggest stadiums and auditoriums to the most state-of-the-art laboratories and extravagant residence/dining halls, it is appropriate to say that “students approaching colleges and universities as consumers is not new; what is changing is higher education’s eagerness to treat them as such” (Cohen and Kisker, 2011, p. 569).

The past three decades also saw exponential growth in for-profit colleges and universities. As enrolments in all degree-granting institutions rose 31 per cent between 1998 and 2008, they skyrocketed by 225 per cent at for-profit colleges and universities (Lee, 2012). This is also demonstrated by that fact that the amount of students enrolled at for-profits reached 2.4 million in 2010 when there were only 766,000 in 2001 (2012). In terms of federal financial aid, for-profit colleges and universities received \$32 billion of the \$146.5 billion in grants and loans in the 2009-2010 academic year (McGuire, 2012). That is more than 20 per cent of the total federal appropriation pie, with a significant portion of that formerly going to public HEIs. This has raised question about how for-profit universities are spending taxpayer money and whether their degrees are providing quality learning towards employability (Field, 2011).

Emerging technologies used for online education are another disruption to traditional modes of higher education. In 2013, 6.7 million enrolled students reported taking at least one online course, which is a dramatic increase considering that only 1.6 million students were doing so in 2002 (Allen and Seaman, 2013). This is also seen in HEIs investing more in distance learning as demonstrated by 70 per cent of HEIs saying online education is crucial to their long-term strategic plan; up from 50 per cent a decade before (2013). Educators are also not quick to forget 2012 as ‘the year of the MOOCs’ with reputable universities and private organisations partnering to launch Massive Open Online Courses (Watters, 2012). While the jury is still out as to whether MOOCs will have the impact that was initially heralded, there is no denying that they have shaken up industry in challenging basic assumptions about higher education (Christensen and Weise, 2014). Then, there is the growing online application industry that is giving HEIs platforms to make every convenience available on their digital-native students’ smartphones (Biemiller, 2014).

In short, the aggressive expansion of for-profit intuitions and online education technologies - coupled with reduced government funding as discussed in sections 1 and

2 - makes the proverbial ‘financial resource’ pie that much smaller, which further bolsters a highly competitive higher education market. Moreover, what is interesting is that competition in most industries often leads to decreased prices, but this has not been the case for U.S. higher education. U.S. HEIs continue to have the highest private direct costs of tuition in the world (OECD, 2014) and some of the selling points they use to justify the heavy ticket price is reputation (rankings), ultramodern amenities, and quality education that leads to employability in a job market that has also become exceptionally competitive. Whether or not these efforts actually led to returns on investment is still debatable. Some even asserting that HEIs are playing a ‘rigged game’ in which many players will inevitably lose out (DeMillo, 2011, p. 271). Nonetheless, what is certain is that colleges and universities have made this institutional myth their ‘reality’ as they continue to invest in raising their standing with stakeholders.

Discussion: Governance Equalizer Predictions for U.S. Higher Education

Cohen and Kisker remind us that “we can predict only the most powerful trends, because unforeseeable events convert specific projections into little more than informed guesses” (2011, p. 572). For example, is the U.S. on the road to recovery after the 2008 Global Financial Crisis or is the nation’s economy poised for another downturn? What impact will the agenda of the recently elected, Republican-controlled Congress have on higher education? These are just some of the questions that policy analysts and reformers must ask with no easy answers to follow.

However, there are developments in U.S. higher education since NPM’s arrival that support Governance Equalizer Model speculations across the five dimensions. As mentioned in section 2, these involve the rise of *state (federal) regulation*, *external guidance*, *managerial self-governance* and *competition* while *academic self-governance* declined.

Figure 2. Shifts in U.S. Higher Education Governance

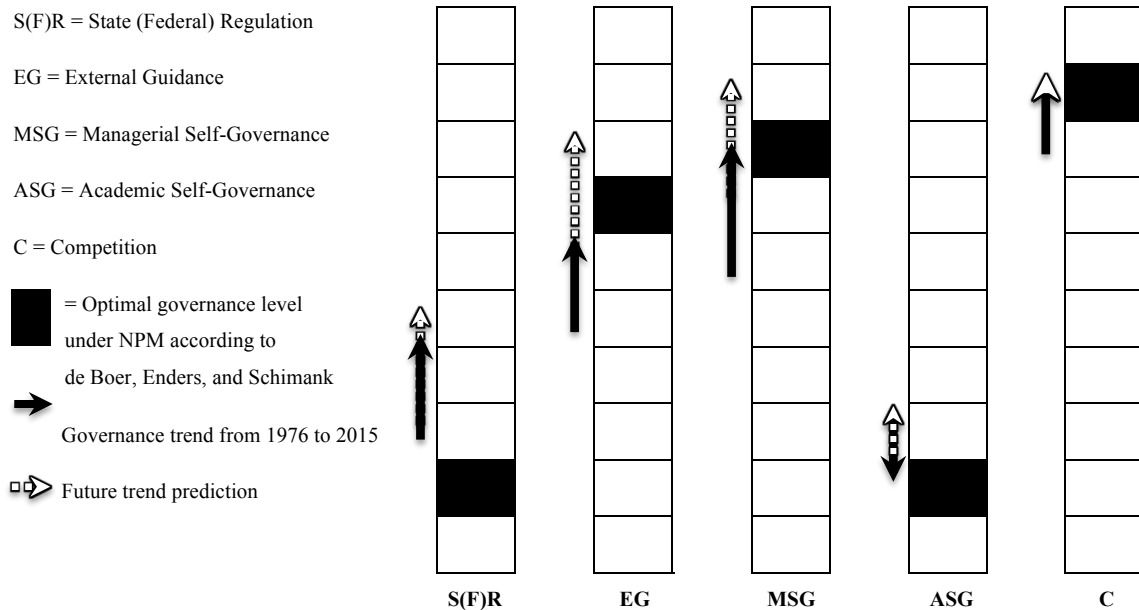


Figure 2 makes four general observations. First, almost all of the indicators for the five dimensions are currently sitting close to the optimal NPM governance level as set by de Boer, Enders, and Schimank (2007), with the exception of *state (federal) regulation* being more elevated than the three experts recommend. Second, *external guidance* and *managerial self-governance* are projected to continue climbing, but an argument can be made that they will exceed optimal NPM governance levels if they go unchecked. Third, *academic self-governance* has decreased and been low for most of the 40 year period, but there are indications that this may reverse in upcoming years. Fourth, competition is high and is likely to remain high. In line with these contentions, the following are predictive explanations for each of the five dimensions.

State (Federal) Regulation. Government intervention will gradually increase, especially in the areas of student financial aid, research, and social justice that the federal government already has significant power over. The link between higher education and the overall health of the nation is too impervious. Alleviation of social problems, economic recovery, and international competitiveness will continue to weigh heavily on policymakers' minds. In all likelihood, this will lead to more federal involvement in accountability measures to ensure higher education transparency and accountability.

However, from discussions about the next reauthorisation of the Higher Education Act, there are signals that steps may be taken to ease federal regulatory burden (Field, 2013).

External guidance. There are indications that *de facto* privatisation of higher education funding is here to stay and that HEIs will continue improving their techniques for generating alternative revenue streams (Lyall and Sell, 2006; Eckel, 2007). Paying ‘customers’ and private entities investing in HEIs will have an even greater influence over campus affairs. As stakeholder demands get louder, there are expectations that it will lead to increased student access, less attrition rates, and the slowing of tuition raises as HEIs become more accountable. However, HEIs must also be cautious of giving stakeholders too much say in order to avoid the potential perils of overly commoditised learning, teaching and research (Blumenstyk, 2014).

Managerial Self-Governance. Going hand in hand with state (federal) regulation and external guidance, HEIs will continue to feel the pressure to achieve performance outcomes that cater to government and stakeholder interests. In being the original drivers of the administrative staff hiring boom over the past three decades, these forces are likely to keep the professoriate relatively outnumbered for the conceivable future (Marcus, 2014). Also, as HEIs becomes increasingly entrepreneurial, the adoption of corporate organisational designs and NPM-style business practices will become even more commonplace. However, HEIs must keep in mind that cost-cutting measures and performance-based funding allocations have the ever-present danger of straying from core missions and values, which would adversely affect academics.

Academic Self-Governance. Adjunct professors have had an encouraging political year in congressional debates about improving their employment conditions. However, Republican gains after the November 2014 elections are said to be threatening the progress that was being made (Schmidt, 2014). Nevertheless, some experts remain optimistic in pointing out that accreditation bodies recognize this important matter and are aiding part-time faculty in their cause (Schmidt, 2012). Similarly, tenured and non-tenured professors are also seeing favourable progress. More HEIs are implementing systems that reward faculty not just for traditional research and publishing, but for other achievements such as service in the local community and innovative teaching (June, 2013). With managerialism expected to endure, modern advancements in curriculum

and learning technologies may provide an outlet for faculty to gain more autonomy and shared governance.

Competition. In the short-term, it is estimated that the number of HEIs will continue to increase, but at a much slower rate (Cohen and Kisker, 2011). For-profit HEIs are especially feeling the effects as the federal government and accreditation bodies crack down on their programmes (Kelderman, 2011; Field, 2014). There also appears to be no foreseeable change to low public funding for higher education. HEIs are on constant alert to protect their resource from being taken by rivals. However, amidst the risks of marketisation and corporatisation, there is hope that collaborations between HEIs, industry, and government entities will result in even more profound innovations for resolving higher education issues.

Conclusion and Implications for Future Research

In review of the past four decades, this paper has displayed that NPM reforms have caused significant changes to U.S. higher education governance with massification and *de facto* privatisation creating an environment ripe for NPM-based solutions. Confronted by the challenges brought on by rising student enrolments and reduced public funding, HEIs used their institutional autonomy to strengthen managerialism and seek private revenue sources, which led to greater external guidance and competition. Additionally, the federal government still found avenues to intervene through regulatory and legislative means despite their financial disinvestment. Meanwhile, the consequence of these dynamics was the weakening of academic collegiality as the concerns of faculty became increasingly subordinate to those of administrators and stakeholders. Using the Governance Equalizer Model to make future predictions, it is projected that these NPM trends will continue to influence HEIs' decision-making. Ultimately, the final outlook is optimistic, although whether or not outcomes will lead to more benefits than detriments is yet to be determined.

In closing, what implications does the Governance Equalizer Model have for U.S. higher education? First and foremost, it is important to reemphasise that higher education studies is still in its early phases and the subset of higher education governance is even younger. Admittedly, there are also limitations to this literary review that can be addressed in future research. As mentioned in section 1, a principal

aim of this paper is to contribute to the growing international discussion that is comparing higher education governance systems across borders. To accomplish this end would require more U.S. higher education system researchers joining this particular academic endeavour, with a number of scholarly avenues available.

Appreciating the complexities of U.S. higher education and the American federalist political system, one area of investigation would be an extensive mapping of governance trends beyond those of the NPM era. Although this would be an enormous task, important conclusions can be shared from a deeper consideration of college and university governance across the entire length of America's nearly four-century-long history. At the same time, looking at the big picture from a national vantage point tells only a small fraction of the story. Much can be learned from applying the Governance Equalizer Model to specific institution types (i.e. public, private, tier-one research universities, community colleges, etc.). Governance Equalizer Models for each state would also be enriching as there are various differences between all 50 higher education systems. Lastly, the incorporation of primary sources is essential; qualitative and quantitative research techniques can extend the reach farther than the secondary source approach of this paper.

All in all, would these scholarly endeavours be worth the effort? Absolutely. This paper barely scratches the surface and presents points that are certainly debatable. One could also say that researchers have a duty to expand awareness about higher education governance. Equipping higher education practitioners with greater knowledge about reform trends and governance mechanisms also opens up possibilities for overcoming present-day obstacles in preparation for tackling those yet to be seen.

References

- Abebe, R. T. (2012). Governance equalizer Ethiopia. Retrieved from https://www.academia.edu/5117424/Ethiopian_Higher_Education_Governance_Equalizer_Rediet_Abebe_
- Allen, I. E. and Seaman, J. (2013). Changing course ten years of tracking online education in the United States [PDF document]. Retrieved from <http://www.onlinelearningsurvey.com/reports/changingcourse.pdf>
- Altbach, P. G. (2011). Harsh realities: The professoriate in the twentieth century. In: Altbach, P. G., Gumport, P. J. and Berdahl, R. O. (Eds.), *American higher education in the twenty-first century: Social, political, and economic challenges* (pp. 227-253). Baltimore: John Hopkins.
- Altbach, P. G., Gumport, P. J. and Berdahl, R. O. (2011). Introduction. In: Altbach, P. G., Gumport, P. J. and Berdahl, R. O. (Eds.), *American higher education in the twenty-first century: Social, political, and economic challenges* (pp. 1-12). Baltimore: John Hopkins.
- Amaral, A. and Magalhães, A. (2013) Higher education research between policy and practice. In: Kehm, B. M. and Musselin, C. (Eds.), *The development of higher education research in Europe: 25 years since CHER* (pp. 43-59). Rotterdam: Sense Publishers.
- Bao, G., et al. (2013, May). Beyond new public governance: a value-based global framework for performance management, governance, and leadership. *Administration and Society*, 45(4), 443-467.
- Biemiller, L. (2014, August 18). Colleges race to keep up with technology change. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Bishop, R. (2006). The global university. *Theory and Culture in Society*, 23(2-3), 563-566.
- Blumenstyk, G. (2014). American higher education in crisis? What everyone needs to know. New York, NY: Oxford.
- Christensen, C. M. and Weise, M. R. (2014, May 9). MOOC's disruption is only the beginning. Boston Globe. Retrieved from <http://www.bostonglobe.com>
- Clark, B. (1973). Development of the sociology of higher education. *Sociology of Education*, 46(1), 2-14.

- Cohen, A. M. and Kisker, C. B. (2010). The shaping of American higher education: Emergence and growth of the contemporary system (2nd ed.). San Francisco, CA: Jossey-Bass.
- de Boer, H., Enders, J. and Schimank, U. (2007). On the way towards new public management: the governance of university systems in England, the Netherlands, Austria, and Germany, in: Jansen, D. (Ed.), *New forms of governance in research organizations. Disciplinary approaches, interfaces and integration*, Dordrecht, 135 - 152.
- DeMillo, R. A. (2011). *Abelard to Apple: The fate of American colleges and universities*. Cambridge, MA: MIT Press.
- Desrochers, D. M. (2013, January). Academic spending versus athletic spending: Who wins? *Delta cost projects issue briefs 2013*. Retrieved from <http://www.deltacostproject.org/>
- Eckel, P. D. (2007). Redefining competition constructively: The challenges of privatisation, competition and market-based state policy in the United States. *Higher Education Management and Policy*, 19(1), 77-93.
- Field, K. (2011, July 21). For-profit allies and critics discuss ideas for improving the sector. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Field, K. (2013, April 25). Congress requests public comment on renewal of the higher education act. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Field, K. (2014, November 6). For-profit colleges sue again over federal gainful-employment rule. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Fried, J. (2006) Higher education governance in Europe: autonomy, ownership and accountability – A review of the literature. In: Kohler, J. and Huber, J. (Eds.), *Higher education governance between democratic culture, academic aspirations and market forces* (pp. 79-134). Strasbourg: Council of Europe Press.
- Ginsberg, B. (2011, September/October). Administrators ate my tuition. *The Washington Monthly*. Retrieved from <http://www.washingtonmonthly.com>
- Ginsberg, B. (2011): *The fall of the faculty: The rise of the all-administrative university and why it matters*. New York, NY: Oxford.

- Harclerod, F. F. and Eaton J. S (2011). The Hidden Hand: External Constituencies and Their Impact. In: Altbach, P. G., Gumport, P. J. and Berdahl, R. O. (Eds.), *American higher education in the twenty-first century: Social, political, and economic challenges* (pp. 195-225). Baltimore: John Hopkins.
- Henderson, K. M. (1995). Shrinking the administrative state: new public management before and after 9/11. *Revista De Ciencia Política*, 25(1), 271-279.
- Higher Education Opportunity Act of 2008, 110 U.S.C. §§ 1001-1161 (2008, August 14). Retrieved from <http://www.gpo.gov/fdsys/pkg/PLAW-110publ315/pdf/PLAW-110publ315.pdf>
- Hood, C. (1991, March). A public management for all seasons. *Public Administration*, 69(1), 3-19.
- Hood, C. (1995, February-April). The new public management in the 1980s: Variations on a theme. *Accounting, Organizations and Society*, 20(2-3), 93-109.
- June, A. W. (2013, April 8). Colleges begin to reward professors for doing work that matters to them. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Kelderman, E. (2011, November 6). Online programs face new demands from accreditors. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Lee, S. (2012, August 9). For-profit higher education: The industry, by the numbers. *The Huffington Post*. Retrieved from <http://www.huffingtonpost.com>
- Lorenz, C. (2012, Spring). If you're so smart why are you under surveillance? Universities, neoliberalism, and new public management. *Critical Inquiry*, 38(3), 599-629.
- Lyall, K. C. and Sell, K. R. (2006, January-February). The de facto privatization of American higher education. *Change*, 38(1), 6-13.
- Marcus, J. (2014). New analysis shows problematic boom in higher ed administrators. *The Huffington Post*. Retrieved from <http://www.huffingtonpost.com>
- McGuire, M. A. (2012, October). Subprime education: For-profit colleges and the problem with Title IV federal student aid. *Duke Law Journal*, 62(1), 119-160.
- Moser, R. (2014). Overuse and abuse of adjuncts threaten academic values. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>

- Nauright, J. and Parrish, C. (Eds). (2011). National Collegiate Athletics Association. *Sports around the world: History, culture, and practice*. Vol. 3, 312-313. Santa Barbara: ABC-CLIO.
- Newman, J. (2014, May 16). Coaches, not presidents, top public-college pay list. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- NCAA (2014). About us: Membership. Retrieved from <http://www.ncaa.org/about/who-we-are/membership>
- Olivas, M. A. and Baez, B. (2011). The legal environment: The implementation of legal change on campus. In: Altbach, P. G., Gumport, P. J. and Berdahl, R. O. (Eds.), *American higher education in the twenty-first century: Social, political, and economic challenges* (pp. 170-194). Baltimore: John Hopkins.
- OECD (2014). Education at a glance 2014: OECD Indicators. Retrieved from <http://www.oecd.org>
- Open Doors (2014). Open Doors 2014 fast facts. Retrieved from <http://www.iie.org>
- Pusser, B., Slaughter, S. and Thomas, S. L. (2006). Playing the board game: An empirical analysis of university trustee and corporate board interlocks. *Education*, 77(5), 747-775.
- Rauhvargers, A. (2013). Global university rankings and their impact report ii. *EUA report on rankings 2013*. 1-88. Retrieved from http://www.eua.be/Libraries/Publications_homepage_list/EUA_Global_University_Rankings_and_Their_Impact_-_Report_II.sflb.ashx
- Roger, J. (2012). Administrative bloat how much is enough. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Schray, V. (2006). Assuring quality in higher education: Key issues and questions for changing accreditation in the United States. *Commission reports: A national dialogue: The Secretary of Education's Commission on the Future of Higher Education*. Retrieved from <http://www2.ed.gov/about/bdscomm/list/hiedfuture/reports/schray.pdf>
- Schmidt, P. (2012, March 25). Accreditation is eyed as a means to aid adjuncts. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>
- Schmidt, P. (2014, November 6). With Republican gains, adjuncts may struggle to keep foothold on Capitol Hill. *Chronicle of Higher Education*. Retrieved from <http://www.chronicle.com>

- Schmidtlein, F. A. and Berdahl, R. O. (2011). Autonomy and accountability: Who controls academe. In: Altbach, P. G., Gumport, P. J. and Berdahl, R. O. (Eds.), *American higher education in the twenty-first century: Social, political, and economic challenges* (pp. 69-87). Baltimore: John Hopkins.
- Swansson, J. A., Mow, K. E. and Bartos, S. (2005). Good Governance in Australia. *2005 Forum of the Australasian Association for Institutional Research*. Retrieved from <http://www.aair.org.au/app/webroot/media/pdf/AAIR%20Fora/Forum2005/Swansson.pdf>
- U.S. Department of Education, National Center for Education Statistics. (2013). *Digest of education statistics, 2012*. Retrieved from http://nces.ed.gov/programs/digest/2012menu_tables.asp
- Whitney, K. M. (2006). Lost in transition: Governing in a time of privatization. In: Tierney, W. G. (Ed.), *Governance and the public good*, 29-50. Albany: State University of New York Press.
- Wittrock, B. (1993). The Modern University: Its three transformations. In: Rothblatt, S. and Wittrock, B. (Eds.) *The European and American university since 1800* (pp 303-362). Cambridge: Cambridge. Retrieved from <http://moodle.donau-uni.ac.at/marihe/>
- Ziegele, F. (2008). Budgeting and funding as elements of new public management. (Unpublished study material).