



# New Public Management, New Managerialism, Networked Governance & the Case of RJIES (2007)

Professor Rosemary Deem, Royal Holloway, University of London

R.Deem@rhul.ac.uk



# New Managerialism Characteristics

- ▶ New Managerialism permeated HEIs from the 1990s onwards, both in the global north (mostly via governments) and in the global south (via bodies like the World Bank),
- ▶ NM introduced corporate management values and practices (Deem 1998) in a search for efficiency and effectiveness, with strong managerial practices, performance management of staff, target setting and HE marketisation all emphasised (Deem et al 2007)
- ▶ The new approach of NM encouraged more reliance on external stakeholders, reshaped HEI visions and strategic planning & considerably reduced academic collegiality (Magalhães & Veiga 2013)
- ▶ Meanwhile networked governance, using networks of accountability, plus checks and balances in decision making, was hiding in the wings (Newman 2004, 2005), often orchestrated by governments and sometimes even by university leaders
- ▶ The NM changes allegedly gave HEI managers more autonomy whilst also encouraging universities (& other public organisations) to resemble businesses (Ferlie, Musselin & Andresani 2009, rather than emphasising the public good. Also institutional autonomy doesn't necessarily also mean governance autonomy (Mora 2001)



# New managerialism (2)

- ▶ Heads of academic departments in HEIs are sometimes 'reluctant' managers (Scase et al 1989), differently motivated and closer to staff than Deans, Rectors or Vice Rectors (Deem et al 2007)
- ▶ New managerialism isn't a static phenomenon (Deem 2017) or an ideal type, as some suggest (Shepherd 2017). Reed (2007) outlines NM stages, from corporate (a settlement between producers and providers) to neo-liberal (pro-markets, pro-consumers & pro-network values) to neo-technocratic (personalisation & encouraging reflexive professionals)
- ▶ Other authors have identified simultaneous but different types of NM (Magalhães, Veiga, Videira 2017), with 'soft' managerialism emphasising empowerment, distributed leadership & co-operation, as contrasted with the market competition, frequent surveillance and performance 'shaming' (Morley 2019), found in 'hard' managerialism
- ▶ Finally, institutional autonomy & governance differ. New Managerialism relates more to the former than the latter (Mora 2001, OECD 2008), whilst network governance (Newman 2004, 2005) covers governance autonomy. The EUA Autonomy exercise (Estermann et al 2011, 2017), however, just includes governance autonomy in its Organisation category.



# What is New Public Management? How is it similar to or different from New Managerialism?

- ▶ Both theories deal with restructuring management regimes, reducing collegiality/self governance & controlling staff performance in public organisations & mention that these approaches were modelled on (past) private sector practices. NPM emphasises marketisation much more than NM
- ▶ New Managerialism when it first appeared, had an ideological element to it (Deem & Brehony 2005), promoted by centre and right wing politicians, the World Bank, OECD and other organisations . NPM had no such ideology attached to it as a theory
- ▶ In addition, NPM relies heavily on Public Choice Theory, focusing on making public institutions more marketised. NM never referred to Public Choice Theory
- ▶ NPM, like NM, was typically introduced by governments & transnational bodies, via mechanisms of funding, policy or 'by leaders captured by 'steering at a distance' (Kickert 1995)
- ▶ Both theories are compatible with notions of 'boardism' (Veiga et al 2015), a governance praxis, consisting of both norms and practices) which helps shift the balance of power in an HEI from just academics and managers towards external stakeholders
- ▶ Boardism also refers to how external stakeholders are viewed by senior managers and the shift from 'imaginary' or 'non-interfering' friends to 'effective actors' (Magalhães et al 2018)




# Networked governance systems

- Networked governance is an often overlooked but crucial tool that is compatible with both New Managerialism or NPM. Networked governance, as Newman (2004, 2005) notes, blurs organisational boundaries of governance (internal/external, public/private) and feeds into decision making processes
- Networked governance tends to have a complex array (typically hierarchical) of multiple boards/councils/groups for different functions (e.g in HEIs, finance, strategy, buildings, staffing, research, teaching), as well as other checks & balances (maybe via government) & encourages active external stakeholder engagement (Pirson & Turnbull 2011)
- Equally important are how external stakeholders are chosen & by whom, the issues and functions they preside over, how often they need to meet and whether stakeholder membership is diverse or not, in relation to gender, age, disability, ethnicity, social class & areas of expertise (Deem and Magalhães 2023)
- Accountability to whom for what in networked governance, can be ambiguous and complicated to work with, as Newman's research with senior public administrators showed (Newman 2004)



# Institutional autonomy versus institutional governance

- ▶ Institutional autonomy & institutional governance are distinct from each other (Mora 2001. Institutional autonomy relates to the extent to which institutions can set their own objectives and manage their activities without governmental interference (OECD 2008)
- ▶ By contrast, institutional governance focuses on which responsibilities are distributed (& by whom) between those participating, including leaders and managers, academic and professional services staff, students, as well as external stakeholders (OECD 2019)
- ▶ This autonomy/governance distinction is particularly relevant when looking at EUA data on institutional autonomy (governance is mentioned but only as a sub category)
- ▶ The Portuguese HE system has been built around allowing HEIs to have some institutional autonomy over areas like standards, curriculum and research but everything else is determined by government (OECD 2021). In some other European HE systems such as England (historically) there has been much more HEI autonomy (OECD 2021) over, for instance: student selection and recruitment; staff salaries, staff appointments, promotion, dismissal; right to borrow money & the right to generate and accumulate income



## European University Association (EUA) Autonomy ScoreCard 2011 and 2017

Estermann, Nokkala & Steine (2011) Pruvot & Estermann (2017)

- Four types of autonomy assessed for European universities
- **Organisational** (leadership, academic structures, creating legal entities, governing bodies)
- **Financial** (allocation of public funding, borrowing money, owning land/buildings, student financial contributions)
- **Staffing** (recruiting staff, staff salaries, staff appointment, promotion and dismissal )
- **Academic** (overall student numbers, admission mechanisms, introduction/closure of programmes, capacity to choose language of instruction, selection of quality assurance mechanisms/providers, capacity to design study content)

# EUA Autonomy Scorecards for Portugal and UK 2011 and 2017

Country	Year	Organisational	Financial	Staffing	Academic
Portugal	2011	7th	7th	18th	21st
UK	2011	1st	3rd	2nd	3rd
Portugal	2017	7th	7th	18th	20th
UK	2017	1st	3rd	3rd	3 <sup>rd</sup> =



## CHANGING GOVERNANCE PRACTICES IN HIGHER EDUCATION INSTITUTIONS


Are external stakeholders still  
'imaginary' 'non-interfering' friends  
or 'effective actors' (Magalhães  
et al 2018) (or both at different  
times?)





# An unlikely comparison: Portugal and the UK (England)

- ▶ The UK HE systems and Portugal's HE have many differences – system size (especially in relation to England), extent of different modes of NPM/NM & governance models, with significant variations in autonomy in respect of staffing and academic life
- ▶ Until recently there were relatively few steps towards fundamental change in UK HE governance except in Scotland where the SNP made or attempted some changes to governance contested by institutions such as chairs of governing bodies being elected in a public adversarial election (Wall 2020). The latter idea was dropped.
- ▶ From 2012 in England when almost all government HEI teaching funding was cut, so mostly reliance on student loans increased, a new phase began & speeded up from 2016 with the introduction of the Teaching Excellence Framework
- ▶ However, what a comparison of England and Portugal on governance and autonomy shows (Deem & Magalhães 2023) is that it's not just legal changes or theories that matter to governance & autonomy but also the views of politicians, political decisions (Brexit for one) & how quality assurance of teaching is carried out as well as who is responsible for it



## The 2007 Regime Jurídico das Instituições de Ensino Superior (RJIES) Reforms to HE governance in Portugal; why was it put forward?

- ▶ Prior to the reforms, a 2007 OECD report noted challenges in Portuguese HEIs:
- ▶ HE staff were civil servants with considerable government control over recruitment, tenure, promotion and dismissal
- ▶ Universities had more autonomy than polytechnics (latter no ownership of own buildings, new programmes & changes to them needed ministerial approval)
- ▶ External stakeholders not much involved, thus limiting HEIs' societal impact
- ▶ The institutional election of rectors could encourage weak leadership
- ▶ Using large internal bodies of staff & students for decision making was slow and not very transparent
- ▶ HEIs were seen as disengaged from outside organisations, entrepreneurialism, and innovation & close government interference did not improve this situation



# The RJIES Foundation Status reforms – who benefitted and why?


- ▶ Porto, Aveiro & ISCTE got foundation status in 2009 but never received the extra grant they were promised. Minho and Lisbon Nova joined in 2015-2016. The Polytechnic of Cavado and Ave joined in 2018.
- ▶ Some Foundation HEIs made considerable use of private staffing contracts, especially for career researchers and used salary flexibility to pay higher salaries than allowed for Civil Service academics (Minho, Porto). Minho also used these provisions to set up collaborations with industry, including a long running partnership with Bosch (OECD 2021)
- ▶ Academic autonomy was restricted by A3ES accreditation requirement
- ▶ Full financial autonomy was never achieved due to the 2008 Eurozone crisis and austerity measures taken in all public HEIs (salary, pension, research funding & overall budget all cut)
- ▶ Not all HEIs wanted foundation status & some academics saw it as very anti collegial & a step towards privatisation



# The RJIES Law's overall impact on Foundation & other Higher Education institutions in Portugal


## ➤ **Positive**

- &\*Relying on large numbers of people to make strategic and routine management decisions has ended (all public HEIs)
- &\*External members now have a clearer function in governance (even though it is still maybe more variable than imagined)
- &\*There is greater accountability of rectors and senior teams via networked governance (to external stakeholders only though?)
- \*Private law staffing contracts and salary flexibility are helpful (for some FHEIs)
- &The process for electing Rectors/Presidents is now a public competition open to both internal & external applicants
- For FHEIs there is some (if limited) scope for financial autonomy but non FHEIs don't benefit from this
- \* denotes points made in the 2021 OECD report but my additions are in brackets
- & denotes that it applies to all public HEIs including FHEIs




## The RJIES overall impact on Foundation & other Higher Education institutions in Portugal (2)

- **Negative**
- Different rules for different universities complicates a relatively small HE system
- Students are barely involved in HEI governance, either at FHEIs or other HEIs
- Do staff on private contracts have the same employment rights as those still civil servants?
- Where do the polytechnics fit into all this?
- \*Staff and students have fewer spaces where institutional concerns can be debated
- May be different interpretations of strategy at different levels (Magalhães et al 2013)
- \*It is unclear if having external governors leads to wider societal/economic concerns being raised; internal members have different agendas & more knowledge of the HEI
- Equality issues don't seem to be addressed at any level of governance & there are still many precarious jobs in both FHEIs and other HEIs
- There is still considerable political interference in Portuguese HE, though less so in FHEIs
- \* denotes points made in the 2021 OECD report from stakeholder interviews



## Risk based quality assurance, Teaching Excellence and a new HE regulator: 'the English experiment' in HE governance oversight

- ▶ The UK ranks highly in the 2011/2017 EUA Autonomy Score Cards (on all criteria).
- ▶ England saw new managerialist changes like greater emphasis on the primacy of management from the late 1980s (Shattock 2006) & also, (1990s/ 2000s), pressure to reduce the size of governing bodies (which already had many external members) & moving responsibility for finance, strategy, estates, staffing to governing bodies from Senates (Shattock 2006, Amaral et al 2013)
- ▶ Since 2016, there have been very significant changes to how English HEIs are regulated (Shattock & Horvath 2021). The changes include the Teaching Excellence and Student Outcomes Framework (from 2016) and a new HE regulatory body, Office for Students (from 2018), replacing a more benign Higher Education Funding Council for England
- ▶ England now uses risk-based quality assurance, the weakness of which was revealed in 2019 when a high profile for-profit university, Greenwich School of Management, went into administration almost overnight (Coughlan 2019)
- ▶ In March 2023 the UK Quality Assurance Agency is withdrawing from acting as a Designated Quality Body (DQB) for England, as QAA's work in England does not comply with European quality standards (overseen by the European Quality Assurance Register for Higher Education or EQAR), whose approval QAA needs to continue working with the other 3 UK HE systems (Kernohan 2022).



# HEI Governance changes in England since 2016

- ▶ In 2016 the Higher Education Funding Council for England introduced Annual Sustainability Assurance Reports about financial matters, to be sent from Governing Bodies every year (Deem & Magalhães 2023)
- ▶ Risk based QA is also supported by an annual institutional provider report on the detail of student experience and teaching, which effectively requires external governors to become experts in quality assurance, with sign-off by a specially chosen board member (not the Chair).
- ▶ OfS believes that quality assurance can mainly be left to (external) governors & the market & unlike Scotland, offers no quality enhancement incentives
- ▶ The argument is that new governance arrangements are needed as students are taking out large loans (ironically home fees were massively raised by loss of government HE teaching funding between 2012 & 2015).
- ▶ The Competition and Markets Authority can also take action against universities if they make programme or assessment changes without giving significant notice to current and prospective students about the 'product'





# A selection of threats to the English HE system's autonomy

- ▶ University quality accreditation scheme applications were discouraged by a 2022 letter to universities from Michelle Donelan, then Higher Education Minister (Morgan 2022)
- ▶ Plan to limit international students to elite HEIs only, with massive loss of UK income
- ▶ OfS has considerable powers – all English HEIs must join & pay a large subscription. Those with a Royal Charter could have it removed if what they do displeases OfS.
- ▶ OfS can fine universities and admonish them e.g for using assessment adapted for special educational needs or giving unconditional offers to students with no exam results yet
- ▶ Programmes leading to low-paid jobs being discouraged (e.g social care, humanities)
- ▶ TEF increasingly rewards HEIs whose graduates who get high salaries so they can repay their loans.
- ▶ Though TEF monitors equality issues around admission & progression of disadvantaged groups, little time is devoted to actual teaching excellence or the use of any form of intelligent accountability (Baird & Deem 2020; Tomlinson et al 2020).
- ▶ Since 2018, UCU has engaged in HEI strike action based on cuts to the USS pension benefits but also about pay, workloads, inequality & precarity – 18 days of strikes this spring
- ▶ Very high Vice Chancellor/President salaries (Boden & Rowlands 2020)



# Some concluding thoughts

- ▶ NPM & NM are longstanding in HEIs & have spawned several varieties of governance, including networked & hierarchical governance. These sit alongside higher levels of external & managerial governance dominance, a decline in collegial decision-making & enhancement of the role of external stakeholders (Veiga et al 2015) using 'boardist' governance arrangements
- ▶ Exact governance arrangements can't be predicted using NPM or NM theories
- ▶ The presentation explored institutional autonomy as well as governance and then examined both the changes in & effects of the Portuguese RJIES 2007 Reforms and the more fragmented changes taking place in England since 2016. This shows that high HEI autonomy (as in EUA Autonomy Scorecard) does not always protect from autonomy-reducing governance
- ▶ The Portuguese story shows how powerful an economic recession can be in reducing HEI governance freedom, whilst the English case is marked by rightwing ideology, free speech arguments, high student fees, legal & policy changes, as well as bizarre QA & seemingly unforeseen events (e.g Greenwich SM collapse & QAA withdrawal from England)

## **Bibliography for Deem,R (2023) ‘ New Public Management, New Managerialism, Networked Governance & the Case of RJIES (2007)**

- Amaral, A., Tavares, O., & Santos, C. (2013). Higher education reform in Portugal: A historical and comparative perspective of the new legal framework for public universities. *Higher Education Policy*, 26(5), 5-24.
- Baird, J.-A., & Deem, R. (2020). The English Teaching Excellence (and Student Outcomes) Framework: intelligent accountability in higher education? *Journal of Educational Change*, 21, 215–243. <https://doi.org/10.1007/s10833-019-09356-0>
- Boden, R., & Rowlands, J. (2020 ). Paying the Piper: The governance of vice-chancellors’ remuneration in Australian and UK universities. *Higher Education Research and Development*, 41(2), 254-268. <https://doi.org/10.1080/07294360.2020.1841741>
- Deem, R. (1998). New managerialism in higher education - the management of performances and cultures in universities. *International Studies in the Sociology of Education*, 8(1), 47-70.
- Deem, R. (2017a). New Managerialism in Higher Education. In J. C. Shin & P. Texeira (Eds.), *Encyclopaedia of International Higher Education Systems and Institutions*. Dordrecht: Springer.
- Deem, R., & Brehony, K. J. (2005). Management as Ideology: the case of ‘new managerialism’ in Higher Education. *Oxford Review of Education*, 31(2), 213-231.
- Deem, R., & Friman, M. (2020 ). The Role of International Advisory Boards in Higher Education Settings: The Häme University of Applied Sciences’ International Advisory Board. *Internationalisation of Higher Education - Policy and Practice* 4(4/2020 ), 19-34. <https://doi.org/10.36197/INT.4-2020.02>
- Deem, R., & Magalhães, A. (2023). Some reflections on the current roles and interventions of external governing board stakeholders in Portugal and the UK in a new managerialist context. In A. Amaral & A. Magalhães (Eds.), *Handbook on Higher Education Management and Governance* Edward Elgar
- Deem, R., Hillyard, S., & Reed, M. (2007). *Knowledge, Higher Education and the New Managerialism: The Changing Management of UK Universities*. Oxford University Press.
- Estermann, T., Nokkala, T., & Steinel, M. (2011). *University Autonomy in Europe II: the Scorecard*. [http://www.eua.be/Libraries/Publications/University\\_Autonomy\\_in\\_Europe\\_II\\_-\\_The\\_Scorecard.sflb.ashx](http://www.eua.be/Libraries/Publications/University_Autonomy_in_Europe_II_-_The_Scorecard.sflb.ashx)
- Ferlie, E., Musselin, C., & Andresani, G. (2009). The governance of higher education systems: a public management perspective In C. Paradeise, E. Reale, I. Bleiklie, & E. Ferlie (Eds.), *University Governance: Western European Comparative Perspectives* (pp. 1-19 ). Springer
- Magalhães, A., & Amaral, A. (2000). Portuguese Higher Education and the Imaginary Friend: the Stakeholders role in Institutional Governance. *European Journal of Education*, 35(4), 437-446.
- Magalhães, A., Veiga, A., & Amaral, A. (2018). The changing role of external stakeholders: from imaginary friends to effective actors or non-interfering friends. *Studies in Higher Education*, 43(4), 737-753. <https://doi.org/10.1080/03075079.2016.11963545>
- Magalhães, A., Veiga, A., & Videira, P. (2017). Hard and soft managerialism in Portuguese higher education governance. In R. Deem & H. Eggins (Eds.), *The University as a Critical Institution?* (pp. 37-52). Sense Publishers
- Magalhães, A., Veiga, A., Amaral, A., Sousa, S., & Ribeiro, F. (2013). Governance of Governance in Higher Education: Practices and lessons drawn from the Portuguese case. *Higher Education Quarterly*, 67(3), 295-311.
- Mora, J. G. (2001). Governance and management in the new university. *Tertiary Education and Management*, 7(2), 95-110. <https://doi.org/10.1080/13583883.2001.9967044>

- Morgan, J. (2022, June 30th ). Equality scheme letter 'crossed line', universities tell Donelan. *The Times Higher* <https://www.timeshighereducation.com/news/equality-scheme-letter-crossed-line-universities-tell-donelan>
- Morley, L. (2018 ). *Changing the Shape of Higher Education: Troubling NeoLiberalism and Imagining Alternativity* Society for Research into Higher Education Annual Conference (SRHE ), 5th-7th December Celtic Manor, Newport, Gwent, Wales, UK
- Newman, J. (2004). Constructing Accountability: Network Governance and Managerial Agency *Public Policy and Administration*, 19(4), 17-33.  
<https://doi.org/https://doi.org/10.1177/095207670401900402>
- Newman, J. (2005 ). *Remaking governance: Peoples, politics and the public sphere*. Policy Press.
- Nixon, M. (2019 ). 'Deeply concerning': Figures reveal Brexit threat as 11,000 EU academics leave UK. *The New European* (2nd December ). <https://www.theneweuropean.co.uk/top-stories/liberal-democrat-figures-reveal-brexit-threat-as-11-000-eu-academics-leave-uk-1-6403909>
- OECD. (2008). *Tertiary Education for the Knowledge Society Volume 1 and 2*.
- OECD. (2019). *Review of Higher Education, Research and Innovation: Portugal*. OECD.
- OECD. (2021 ). Higher education reforms in Portugal and Finland. In The Organization for Economic Co-operation and Development (OECD) (Ed.), *Improving Higher Education in the Slovak Republic*, (pp. 117-155). OECD Publishing <https://doi.org/https://doi.org/10.1787/287ea6a3-en>
- Pirson, M., & Turnbull, S. (2011). Toward a More Humanistic Governance Model: Network Governance Structures. *Journal of Business Ethics*, 99(1), 101-114.  
<https://doi.org/10.1007/s10551-011-0752-x>
- Pruvot, E. B., & Estermann, T. (2017 ). *University Autonomy in Europe III The Scorecard 2017*. E. U. Association.  
<https://www.eua.eu/downloads/publications/university%20autonomy%20in%20europe%20ii%20the%20scorecard%202017.pdf>
- Reed, M. (2007). New Managerialism and Public Services Reform: From Regulated Autonomy to Institutionalised Trust. In R. Deem, S. Hillyard, & M. Reed (Eds.), *Knowledge, Higher Education and the New Managerialism: The Changing Management of UK Universities* (pp. 1-28). Oxford University Press.
- Shattock, M. L. (2006). *Managing Good Governance in Higher Education*. Open University Press.
- Shattock, M., & Hovarth, A. (2020 ). *The Governance of British Higher Education*. Bloomsbury Academic.
- Shepherd, S. (2017). Managerialism: an ideal type. *Studies in Higher Education*, 43(9), 1668-1678. <https://doi.org/http://dx.doi.org/10.1080/03075079.2017.1281239>
- Tomlinson, M., Enders, J., & Naidoo, R. (2020). The Teaching Excellence Framework: symbolic violence and the measured market in higher education. *Critical Studies in Education*, 61(5), 627-642. <https://doi.org/10.1080/17508487.2018.1553793>
- Wall, G. (2020). *Governance of Scottish Higher Education: an Analysis of Institutional Governance Reform (2011-2017)* University of Sheffield [unpublished thesis]. Sheffield, UK