

# **Policy and Practice in the Albanian HE Governance**

*A research based on three case studies*

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## **Chapter 1: Introduction, research problem and methodology**

### ***Introduction***

Albania is a small country with a small higher education system. According to an official document, the number of students enrolled in the full time studies in the current academic year (2008-2009), is 65.700. The overall number of the higher education institutions is 11 state universities and 17 private universities. Although the private institutions are in majority, according to the same official document, they do cover only 6.800 students in total, which is a little bit more than 10% of the total student population studying in the full time programs. However, the quantity and the role of the private sector is progressively growing. The biggest state universities are traditional institutions with a strong academic community and a weak administrative apparatus. They do usually resemble to the classical “bottom heavy” organization which is rooted and pretty much determined by the mentality and interests of its lower level units. Therefore the pre 2007 higher education legal framework had stimulated an institution (this with regard to big universities which did not operated as campuses) which was significantly fragmented in faculties and basic units. The universities were not able to plan, decide and act as a single organization. However, universities did have an essential autonomy with regards to academic matters, and a partial autonomy concerning institutional arrangements and financial issues. The government used to have a strong position in the system, especially with regard to the regulation of financial and administration procedures, studies structure and the its organizational framework, knowledge worker workload, student enrolment size, tuition fees, the establishment of new study programs, and so forth. Nevertheless, the government agencies did not have enough expertise and capacities to monitor properly the higher education institutions behavior.

It seems that policy makers did realize the weakness of the system with regard to the lack of university internal integration, undeveloped performance management, the disincentive funding scheme, the lack of executive leadership especially with regard to the university upper level, the obsolete administration, the underdeveloped culture concerning quality assurance, and lack of management culture in general. As a consequence, during the 2007, after a long debate between government representatives and part of the universities leadership, the parliament approved the current higher education law. The law seems to have several objectives, but the most important

ones seem to be the adaptation of the Albanian legal framework to the Bologna Process requirements, the modernization of the HEIs governance and management, the improvement of the state funding scheme, the increase of university autonomy and the strengthening of the accountability instruments. Some of the government proposals, which were stated in the white paper, did meet a strong resistance from the side of the universities leadership and, as a consequence, they did not become part of the law. The most opposed proposal was the one that intended to introduce a governance board within each university with a majority of members from outside the universities. However, after strong debates, the government did withdraw its proposal. Nevertheless, the government managed to introduce an intermediate body, called the Administrative Council, which has 49% of the members coming from the external environment. We believe that such body represents values which are not coherent to the practices routine of academics and academic administrators, thus we expect some resistance or attempts to assimilate this new arrangement into the current university main stream culture. Furthermore, the law intentions to modernize the governance and management capacities of the state universities may be perceived as an attack to the legitimate power of the academics and their collegial bodies. However, the university skill to reinterpret legal requirements, based on its own values and its elegant ability to perform the symbolic convergence mechanism may soften the original impact of the current law.

Our research aims to shed some light to the relation between the current policy intentions and the actual university practices with regard to governance and management in the Albanian higher education institutions. We intend to identify the main governance arrangements that the 2007 law introduced and confront them with the practical reality found in the ground. The definition of the system level governance mode is another objective of the research. More details with regard to the research aims, questions and methodology will be found in the upcoming sections of this first chapter.

### ***Research Problem***

Higher education is becoming progressively important in the majority of the countries in the world. In Europe, especially in the so-called continental Europe, the higher education system has been for a long time dominated by the government and the so-called academic oligarchy. In such relational framework, government's task was to make sure that national interests were taken into account by the sector, while the higher education institutions, more precisely the disciplinary based groups, dominated the content of the academic matters. As De Boer, Enders & Leisyte (2007) article explains that the past mode was characterized by the dichotomy of the National government detail-interference through the use of laws, decrees, procedures, regulations and administrative supervision, and academic matters being exclusively the domain of the professionals.

As societies matured and gained more experience, new ideologies and dynamics began to affect the relationship between the government and the public sectors. Similar developments have been observed in almost all western European countries, even though with some differences in terms of methodology, intensity and degree of change. The government began to reconsider its position and role concerning public services agencies in general and higher education in particular. Thus, for many researchers in the field of higher education the nature of the relationship between the state and the institution of higher education became a central issue (Amaral, Jones & Karseth, 2002, p. 280). Many scientific investigations have been organized during the last two decades which have had under prime focus the shifting relation between government and higher education institutions. Some of these investigations supported the idea that many continental European nations have abandoned the state-control model in favor of steering higher education from a distance, thus providing local institutions with increased autonomy (Amaral et al., 2002, p. 281). On the other hand, other observations emphasized the fact that the transformations experienced in higher education were similar to those experienced by other key public services, and can be understood as a redefinition of the state toward public services (Ferlie, Musselin & Andresani, 2008). What seems important to mention in this point is the observation that in many countries, the reform process was driven both by ideological and pragmatic motives. Governance reform has not resulted in a new set of permanent and stable arrangements (Maassen, 2003, p.

31). As a consequence, the reforming process did continue through more than one stage, and it seems to be still under process in many countries.

Another reason, which might explain the increased interest of researchers toward such issue, seems to be the assumption that changes in the relationship between higher education and the state represent direct implications for institutional governance. The new governance structures promoted by reforms provide the central forum for the struggle over what universities are or should be, and how the evolving relationships between academics, students, and external interests, should be accommodated (Meek et al., 2002, p. xv). The above concern is of great importance since the new processes put under question not only the interaction among governments, markets and universities, but simultaneously encourages the rethinking of universities' purposes, missions and functions. Many other scholars argue that the university identity is also under question. They believe that university identity finds itself surrounded by many interests which are encouraged by the brake of the status quo and supported by a number of new and old stakeholders. Others argue that the new changes, especially what regards institutional autonomy and the new institutional governance arrangements, strengthen the position of universities within society.

What it is crucial for a research, which addresses issues of governance patterns and changes in higher education, is the careful understanding of the internal processes which can be of vital importance to realize why and how universities and colleges change, and how and why policies fail or are implemented successfully (Gornitzka, 1999). Furthermore, it is important to bear in mind that the distribution of decision making, authority, and the degree of institutional fragmentation, are important factors conditioning the extent to which coordinated change is possible (Gornitzka, 1999, p. 12).

It is further argued that change is a complicated matter when it comes to higher education. The very nature of the higher education, which is represented by the heavy fragmentation of the organization in disciplines that reflect distinctive identity and culture, puts under question the assumption that institutional structural changes produce essential changes with regard to processes and behavior. Such consideration is reinforced by Kogan (2006) work, in which he



stated that changing beliefs and ideals do not necessarily lead to new practices. Thus, in order to understand the extent of change beyond the initial ideological shift one must observe actual structures and behavior at various levels within higher education institutions (Kogan et al., 2006 cited in Bleiklie & Kogan, 2007, p. 487).

A related consideration is mentioned in one of Bleiklie et al. work which investigated the changes occurred in the Norwegian higher education from the 60s until recently. He argues that one cannot presume that changes in social relationships, and behavior within higher education, automatically follow from reforms that change formal social structures. Nor can the causes of actual behavioral changes be retrieved into structural arrangements (Bleiklie, Høstaker & Vabø, 2000, p. 23).

Our thesis research did consider the above reflections and insights. We understand the complexity of issues like, policy making, governance, and change in higher education. However, we believe that the literature review has improved our research understanding, and simultaneously has brought a number of relevant themes on board. As a result of this influence and our personal curiosity related to the subject, the research project is particularly interested on the new governance arrangements introduced by the recent Higher Education law in Albania. We want to understand the recent policy intentions. Moreover, the research aims to shed some light toward the implications that the new law represents with regard to the relationship between the government and the public universities.

Another key issue, covered from the investigation, will be the university practices with regard to the new governance arrangements. The views and arguments of different actors concerning these arrangements are considered to be crucial in order to understand the dynamics between policy intentions and practical policy implications. Thus, we will collect empirical data regarding the possible resistance, reinterpretation, and the ways how these new governance arrangements are being implemented. What seems also important to emphasize is the fact that the research intends to explore and describe the governance mechanisms and their implementation in the university institutional level, rather than its implication in faculty or department level.

We are aware that governments are responsible for the regulatory frameworks, according to which, HEI should function. Thus, any discussion on institutional management structural change should consider such regulatory frameworks (Maassen, 2003, p. 32). Therefore, we conducted a comprehensive document analysis which included a careful assessment of the higher education law as the main legal document which regulates the sector, the 2008-2013 higher education national strategy, and a number of directives issued by the Albanian Council of Ministers and the Ministry of Education and Science. We will compare the document analysis findings with those coming from the interviews in order to gain understanding concerning issues like: a) policy intentions; b) university practices relating to policy intentions; and c) the present governance model with regard to the Albanian public higher education system.

What will follow in the next part of this chapter is the presentation of the main research question together with the secondary ones. After that, we will clarify some of the concepts that are key central to the analysis of governance reforms of higher education. Moreover, these concepts will be a kind of backdrop to the analysis of the empirical case. The last part of this chapter will be a discussion concerning our research methodology and limitations.

The specification of the analytical framework will be not discussed in this chapter, but instead, it will be part of the forth chapter named “Types of governance models”. We will use two separate analytical frameworks, one which will help to grasp the actual governance model in the Albanian public higher education, and a second which deals with the university autonomy degree. This second framework will be applied mainly for the analysis of the policy documents.

### ***Research questions***

What are the main effects of recent national higher education policies in Albania on the governance and management practices at public higher education institutions?

1. How can the current system level governance model with respect to higher education in Albania be interpreted?
2. What are the intentions of recent government policies in Albania with respect to the governance and management of public higher education institutions?

3. What are the main recent developments in practice with respect to governance and management at Albanian higher education institutions?
4. How are the national policy intentions and institutional practices with respect to governance and management of higher education institutions in Albania related to each other?

Our research intends to answer the above questions which are mainly rooted in an exploratory and descriptive approach.

### ***Research concepts definition***

How we understand the concepts we have been using during this research is a very important matter. The concepts show how the researcher perceives the phenomenon under investigation and its basic components. Moreover, the understanding of the concepts clarifies in what angle the researcher will investigate the phenomenon. Finally, the research concepts are important because they help to set the research boundary, and provide the research with operational indicators. The concepts we used during our research are as following:

Governance is the key research concept which is understood as follows:

Internal governance refers to the institutional arrangements within universities (e.g., lines of authority, decision-making processes, financing, and staffing), whereas external governance refers to the institutional arrangements on the system-level (e.g., laws and decrees, funding arrangements, evaluations). Governance is thus understood as the external and internal coordination which has a significant influence in the main activities of a university (Leisyte, 2007).

In order to make this core concept even more operational, we broke it down in further smaller concepts which are: leadership, management, and administration. According to (Gallagher 2001 cited in Maassen, 2003, p. 32), a) Institutional leadership is mainly about strategic direction in giving and setting; b) management is about outcome achievement and the monitoring of institutional effectiveness, and efficiency in distribution of resources; c) administration is about the implementation of procedures. Thus, we believe that governance is composed by all the three above concepts. What is important in such governance concept deconstruction is that its components (leadership, management and administration) have guided part of the research's

sample design. In few words, the official status of the individuals that have been chosen in order to be interviewed has satisfied at least one of the three elements mentioned above.

Autonomy is the other research concept which is understood in two perspectives: a) Substantive autonomy is the power of the university in its corporate form to determine its own goals and programs, and b) Procedural autonomy is the power of the university to determine the means by which its goals and programs will be pursued.

This definition helped to explore the degree of autonomy that the law provides to the higher education institutions. We find the issue of autonomy to be a central part of the concept of governance.

There are several works which relate governmental plans for university autonomy enhancement with the appearance of the accountability prerequisite, (De Boer, et al., 2007; De Boer & Goedegebuure, 2007; Davies & Thomas, 2002). Accountability seems to have been used as a mechanism of modernizing the administrative and managerial capacity of the institution, and as an assurance that government and stakeholders will have a say so that society interests become an organic part of the university. The deconstruction of the accountability concept into: horizontal and vertical accountability, as found in Deboer & Goedegebuure (2007), increases the concept operationality and enables the distinction between responsibility toward the government and other stakeholders. These types of accountability have been used as indicators in the evaluation of the degree and the kind of autonomy supported by the higher education policy.

Policy content is another concept which represents an important consideration in our research. We understand it as a policy design where design here is regarded as a set of characteristics that are observable by the policy instruments that are employed (Ingram & Schneider, 1990 cited in Bleiklie et al., 2000, p. 108)

Last but not least, we need to clarify what we understand with policy intentions. The definition of this concept is not straightforward, because in our view, policy intentions are not a simple category, but instead, it is composed by at least two levels. First, there is the immediate level which is the new governance arrangements, meaning structures and tasks. While, the other level is represented by such question like: what do policy makers intend to achieve with the new

arrangements? This level includes the aim to change understanding, behavior and culture followed by a second intention which aims to change institutional outcomes, meaning change in the institution functions and performance. The way how we position both levels suggest the idea that structural changes cause behavioral and cultural change. This might be only partly true as we have discussed in the beginning of this chapter. Nevertheless, we are convinced that the majority of the Albanian policy planners do not doubt on the equation which supports a linear or direct correlation between structural changes and behavioral changes. However, our research will be focused primarily on the first level of policy intentions, meaning new governance arrangements and the rationale which justify their selection.

Before jumping to the methodology section, we want to attract the reader's attention on the fact that our research will consider a research made by Rasmussen (1998), which examines reactions and attitudes of the different groups inside the university with respect to the new more managerial oriented law in the Danish case. Moreover, the Danish case seems to be similar to our case since the Danish system is based on elected boards and their chairs. The only non-elected managers/administrators are those which have positions in the central university administration (Rasmussen, 1998, p. 185).

### ***Methodology, qualitative versus quantitative approach***

The research aims to investigate governance patterns, structures and intended implications in the public higher education system. We assume that the qualitative approach is more suitable to our research intention. Firstly, the research has an exploratory dimension since no other similar study has been conducted in Albania. In order to fulfill this research characteristic there is a need to investigate the process without pretending to have fixed and quantitative measurable indicators. Thus, we think that the qualitative approach provides enough flexibility which enables enough space in order to adjust the understanding and the conceptual framework during the investigation process. Moreover, the nature of the university, as a particular institution, calls for a qualitative approach which does not require a strong linear relationship among structures and processes. The particular nature of the university, especially when it comes to governance which usually reflects a certain fragmentation within the institution and an unbalanced power between academics and administrators, makes it difficult to employ a quantitative approach which tends to generalize

and standardize relationships and findings. Furthermore, in our case it is quite difficult to come up with pure operational indicators. Additionally, we believe that the use of quantitative approach in our research makes it difficult to grasp the dynamics between policy intentions and university practices. Moreover, we think that the nature of the qualitative approach helps more in order to go further into the depth of the targeted processes, and do it through a flexible methodological framework. Another argument that supports our choice is the assumption that there will be a lot to learn during the conversations with the respondents, which might necessitate the need to readjust both the understanding and the focus concerning governance practices. Therefore, we are confident that the qualitative approach will provide the necessary freedom to adjust research elements during the field work or the data interpretation process.

### *Limitations*

Our qualitative approach represents limitations as well. Firstly, you can go in depth, but you risk losing the view of the full picture. You can understand the context of a certain piece of a social reality, but on the other hand, the ability to link it to the macro-reality weakens. Moreover, the qualitative approach reflects significant fragmentary symptoms. In the quantitative methods, usually it is used a questionnaire which is developed based on precise variables and indicators, and, as a consequence, the categorization and interpretation of the empirical data is easier. On the other hand, (in our case) as more in depth you go into individual experiences and beliefs, the more difficult is to relate data. Since narratives come into play, the categorization of the empirical data becomes harder, and this makes the research validity suffer. However, in our opinion, the qualitative research provides a bigger role for the researcher himself, and therefore a bigger freedom. The process represents stronger elements of a socially constructed truth, which enables the researcher to better grasp the dynamic of a certain relationship. As we move to our research contextual limitations, firstly, we have selected three public universities which represent three case studies. It is obvious that findings extracted from a case study are unlikely to be generalized. Secondly, the selection of the universities was bias toward traditional and strong culture universities. Such variable makes the case study even more unable to provide general trends and findings with respect to the higher education system (since other types of university exist). Thirdly, we limited our research into the university institutional level. Thus, dynamics, practices, attitudes and reactions being developed in the faculty, department or individual level

are not part of the data and findings. This limit furthers our research. The last limitation we can come up with is the fact that the new law entered in force almost two years before the research was undertaken, but its implementation began a bit more than a year before our research took place. Considering the extra amount of time that is usually necessary to cause changes within university compared to other institutions (remember the particular nature of the university and the high degree of resistance upon change) we thus think that the small amount of time between the beginning of the law implementation and the research application represents the last limitation of our research.

### ***Research strategy***

The need to set the investigation boundary is an important element in a research project. Both research questions and concepts' definition help in this stage. Our research boundary is formed by four levels, in which our exclusive focus on public higher education institutions represents the first level followed by the three public universities that will be observed (University of Tirana, Polytechnics University of Tirana and the Agricultural University of Tirana). Additionally, the interviews will be limited at the university level, thus faculties and departments will not be part of the field work. Finally, the analysis of the higher education law, national strategy and several legal directives will determine the type of processes and individuals who will be part of the empirical inquiry. The insights coming from the theory review, together with the analytical frameworks and the research concepts, have guided our research through all the three main stages; design, field work and interpretation.

The research is based on an intentional sample which was compatible with the components of the governance concept. The sample included Government officials, the university rector, university chancellor and the university administrative council chair. The subjects corresponded to the research topics, research boundary and practices relevant to the phenomenon under investigation. In few words, the interviewees' official positions reflect one or more elements like: leadership, management, administration or policy making. The interview is one of the main techniques used in our research. The interview is an instrument that enables the researcher to go in depth into a case. The process of interviewing seems significantly complex. Since there is a wide freedom for the respondent to choose and develop answers, the data becomes voluminous and complicated.

The interviewer has less active role and needs to control the answers' dynamics without heavy interventions. Furthermore, the interview represents a wide process of negotiating meanings or emphasis. Thus, the process is very flexible, fluid and less structured.

There are two main reasons why we considered that the interview technique satisfies better our research nature. First, the subjects are people of high official rank, which makes it difficult to question them through a questionnaire. We believed that the interview paid more respect to them, a fact that did improve the empirical data quantity. Second, we needed to go in depth in order to understand the beliefs of the subject, their understanding of the policy intentions and their official tasks. Furthermore, we tried to explore the relationship between what is written in the policy document and what was going on in the ground. The interview questions have been significantly linked to the research questions, concepts and indicators, although the last were flexibly defined, this in order to allow adjustments during the field work. Most interviews lasted from 30 to 60 minutes. There were a couple of interviews that went beyond the set limit.

The second technique, which was used in our research, was the document analysis. The research analyzed the higher education law, the higher education national strategy and several official directives issued by the government.



## **Chapter 2: Reforms and Organization Transformation in a Higher Education Context**

### ***Introduction***

Our research considers policy, governance and change as interconnected via the concept of organization. Organizations are often policy target, they have governance structures and organizations change continuously as a result of external or internal forces. This chapter will analyze the higher education changes in the light of the organization. Such association has been used by many higher education researchers in order to understand and explain how the process of change works in higher education systems. We are aware that higher education institutions are particular types of organizations, and thus not every theory or concept, developed by organization scholars, can be fully compatible to the context. However, the higher education literature has shown that some general insights elaborated by organization theories have been pretty useful when researching higher education. From now on we will use both concepts, that of institution and organization, as synonyms.

### ***Reforms, organizations and the higher education***

Mill considers the evolution of institutions as a natural and spontaneous process in which institutions are neither designed nor chosen. They emerge in a historical process and represent a cultural development that is neither directed nor controlled by any particular group or reformers (Mill 1861/1962 cited in Brunsson & Olsen, 1993, p. 3). According to this view, it seems that institutions are considered as living creatures in their own right. They are supposed to travel along a partly natural and partly historical course of development. Inside or outside factors contribute to the institution maturity without having the power to direct or determine it. This idea carries a strong implication regarding the relation between policy and change since it assumes that attempts to change an institution according to a particular group vision or interest is predetermined to fail or reinforce what was supposed to change. This suggests that institutions change together with the society, thus escaping to any particular policy plan for change. This also assumes that a particular strategy, which aims to change an institution, should be based on values and norms compatible with those the institution is based, otherwise its implementation will meet strong resistance. If we think of organizations as institutionalized, each organization

activity, history and informal rules, routines, norms and values are decisive for the actual implementation of reforms coming from outside (Brunsson & Olsen, 1993, p. 131).

A second perspective considers the institution as a tool, designed and established in order to fulfill certain goals. In this case, the organization is not viewed as a special institution. Consequently, it is expected that organization norms and values change or adapt to objectives and requirements coming from the outside. It is assumed that the organization culture and behavior largely depend on priorities set from a superior institution. In an instrumental perspective, the agencies are expected to accept reforms that are useful for their own survival and prosperity (Brunsson & Olsen, 1993, p. 131). Thus, change happens as a linear process, in which requirements from the environment become structural conditions for the organization. We notice a similarity between this approach and dependency theory, since both of them recognize a powerful position to the external environment, and relatively neglect the role that internal norms and rules play in steering the institution.

A special concern for many scholars seems to be the factors which stimulate shifts in a certain policy. What does it cause the emerging of new policy conditions inside the policy arena? According to the actor perspective, policy change is the outcome of changing preferences in actors or changing power constellations between actors with different preferences (Ostrom 1990 cited in Bleiklie et al., 2000, p. 106). This approach place an important role to the preferences of powerful actors who have access in the policy arena. Their preferences represent the only prerequisite in order to support an existent policy or initiate a new one. An alternative perspective represented by Sabatier & Jenkins-Smith (1993) advocate the idea that policy change is normally caused by external system events, such as change in economic and political conditions that affect actors' belief systems (cited in Bleiklie et al., 2000, p. 106). We assume that this last consideration complete the former approach, since the actors power is still in play, but in this second argument, their policy preferences are being shaped by a larger environment conditions. In our understanding, this implies that actors are not independent in choosing what kind of policy for what kind of organization, but instead, their preferences are rooted in larger realities which go beyond their policy sector. A merger between the two perspectives seems to guarantee a better balance between particular actors and the society conditions. A third approach

is represented by the structural perspective which emphasizes how underlying norms and values shape policy change. This perspective explains policy change as an outcome of shifting values (Skocpol, 1992; March & Olsen, 1989 cited in Bleiklie et al., 2000, p. 107). This perspective emphasizes the value variable. This helps us to establish a kind of triangle in which each variable: actor, environment and values occupy one of the angles. A key issue here is the interaction between these three factors which, in the end, determine a certain outcome. The main difference between the above perspectives seems to be the departing point, meaning that, which of the three variables has a stronger impact with regard to a policy shift.

However, after the policy is decided and cooked, what gains importance is its implementation. In the higher education context, the policy implementation issue is particularly complex. Implementation is particularly difficult if a reform requires the active participation of the reform target group. It can sometime be difficult to change organizational symbols, but it is much harder to change behaviors (Brunsson & Olsen, 1993, p. 6). This argument confirms the complexity that accompanies a higher education reform. In such case, we probably should not expect that decisions made at a higher level become structural conditions that affect behavior at lower levels (Bleiklie et al., 2000). This means that policy implementation and, as a result, the degree of change in higher education usually are not a linear processes in which cause and effect have a clear and automatic relationship. However, it is often believed that the structures, processes and ideologies of organizations are shaped and altered in order to help them to operate more functionally and efficiently. Reorganization is a tool used by the reformers (Brunsson & Olsen, 1993, p. 2). According to our understanding, this statement can be fully supported by the HE reforms occurred in many European countries. We believe that governments justified their actions with the intention of strengthening their higher education institutions effectiveness and efficiency. It is also true that many reforms' attempts have aimed sometime moderate and sometime radical institutional reorganization. This seems to suggest that reforms relay on the reasoning that structural change will cause behavioral change.

According to the literature, organizational transformation would involve simultaneous shifts in structure, strategy and control mechanisms (Tushman & Romanelli, 1985). It also involves a change in the dominant ideologies, cultural systems of meaning and power relationships within

the organization (Pettigrew 1985, 1987 cited in De Boer et al., 2007, p. 32). This argument suggests that the process of change should affect organizational feature like, organizational structures and authorities, style of work and behavior, and finally, the organization cultural foundation. We think that if the process of change involves all these dimensions than the organization is close to be considered as reinvented. Thus, we believe that such significant shifts are unlikely to occur within a higher education institution in a short period of time. Moreover, it seems that the process of change cannot be fully controlled by a single actor, and cannot happen exactly as it is planed beforehand. Another perspective, which deals with the issue how and in which features do organizations change, is the work of Brunsson & Sahlin-Andersson (2000) which suggests that the process of reconstructing organizations can be divided into three distinct entities: constructing identity, hierarchy and rationality (cited in De Boer et al., 2007, p. 33). Thus, in order to change an organization, variables such as identity, hierarchy and rationality are crucial. The organizational identity represents the symbolic and cognitive side of organizations and their role in stimulating new ideas, changing attitudes, and new frames for action. Constructing hierarchy refers to the well-known capacity of organizations to co-ordinate action. The very idea is the enhancing co-operation which is guided by organizational policies and authoritative leader-ship and management as a means of co-ordination of a collective entity that is engaged in a common project. While, organizational hierarchy has a strong link to constructing rationality which stresses organizations as most appropriately directed towards attaining specific goals through formal and rational means. Organizations are thus expected to be “intentional”, to forecast goals, objectives and preferences, action alternatives, to allocate responsibility, and to measure results (De Boer et al., 2007, p. 34). This analytical tool was used by de Boer, Enders and Leisyte in order to analyze and interpret higher education reforms happened in the Netherland.

Another interesting point, which regard to policy and change, is again the relation between what policy aims and how such aim relate to organization identity. In this respect, we need to address issues like, how much power do the policy makers have in respect to the policy content? Or can the policy maker design a policy which goes against the organization spirit? We believe that there are two strong factors which shape the power of individuals who deal with policy design and policy implementation. These factors are: the institutional tradition within the sector and the

particular nature of the higher education institutions. The second factor has a significant importance in order to understand the relationship between government and universities and how the process of change makes its way inside the sector. Thus, understanding the internal processes can be of vital importance for understanding why and how universities and colleges change, and how and why policies fail or are implemented successfully (Gornitzka, 1999, p. 11).

### ***Higher education institutions nature***

We are convinced that we should understand what university represents, how it is organized, and how activities are being managed in order to have a chance to grasp its path of change. In higher education, many decisions can only be made by the professional expert. This implies that such organizations are “bottom-heavy”, and, consequently the potency of collective action at an institutional level is low. There is a strong diffusion of power in decision-making processes in higher education organizations, thus the institutional leadership is rather weak (Cohen & March, 1974). There is a high degree of structural differentiation, where “each department is a world in itself” as a consequence of the low degree of functional dependence between different organizational sub-units (Gornitzka, 1999, p. 12). Courses and programs are isolated from one another, thereby minimizing the need for coordination across tasks and maximizing the discretion of the specialists who carry out these tasks. Organizations in which the production processes are knowledge-intensive, need internal decentralization which results in an extreme diffusion of the decision-making power (van Vught & Maassen 2002, p. 230). In higher education it is the academic professionals who act, rather than the university as an organization (De Boer et al., 2007, p. 30).

This picture tells us that the university is an organization which differs from the rest. The special nature of this institution makes us to believe that outside attempts to cause change encounter a complex and highly dynamic environment. The characteristics of this particular environment are expected to shape and even constrain the degree of change planned by the policy makers. Many studies, concerning higher education reforms and the dynamics of change, have shown that the process goes through a path which is very complicated and that does not guarantee a full success. However, we are aware that many attempts for change have had an impact in the university life,

but still many studies show that the type and the degree of change does not follow exactly what was aimed by the policy. Thus, we admit the fact that change is possible and it is happening.

### ***Types of change in higher education***

It is observed three types of possibilities when it comes to the relation between change in higher education and wider societal transformations. a) change in higher education has essentially been evolutionary and driven largely from within higher education; b) change has been imposed by policy mechanisms driven by the political process; and c) change has been largely driven by changing social demand, a case that represent transformed contexts in which higher education finds itself. The first two possibilities reflect the distinction between “organic evolution” and “imposed change” (Kogan & Hanney, 2000). Becher & Kogan (1992) have adapted two classical assumptions about organizational change in higher education. The assumption of radical change, which implies new ideals and goals simply replace established ones. While the second assumption, organic growth or sedimentation views change as processes where new ideals come in addition and are ‘layered on top’ of established ones (cited in Bleiklie & Kogan, 2007, p. 482). The two approaches which are usually used in order to stimulate change inside an organization provide us with an important insight with regard to the way how the process works. The first approach considers organization as an empty establishment or as an agency placed in a hierarchical chain. As a consequence, the superior authority has the right to introduce new goals and structures and not expecting any negative reaction from the organization. We believe that radical reforms are being pushed in such cases when the society or a particular sector is perceived to be in a crisis. Such extraordinary situation seems to justify the imposition of radical change. Moreover, it is argued that the revolutionary change transforms the organization from one “archetype” to another, while evolutionary change is regarded as a gradual process of fine tuning within the setting or scheme of an existing archetype (De Boer at al., 2007, p. 32). We find the idea of evolutionary change more suitable to the higher education context. This approach recognizes the particular nature of the higher education institutions, and the fact that change can happen only slowly and by taking in consideration the institutional values and beliefs. What is very interesting in such approach is the idea of new values sedimentation, which suggests an organic process of adaptation between new and old “powers and symbols”. This idea justifies the process of hybridization, in which several conflicting norms and ways can coexist

and even function within a higher education institution. The discussion between the two types of change is essential in our research. Many authors support the assumption that new ideals, lead almost instantly to an introduction of new organizational structures and behavior. Alternatively, one may assume that new ideals are layered on top of existing ones in a process of sedimentation which confront institutions with a variety of expectations, based partly on traditional and partly on recent ideals. The structural and behavioral implications are thus much more ambiguous and leave room for different interpretations and struggles as part of the implementation process (Bleiklie & Kogan, 2007, p. 482).

If organizational ideals develop in a sedimentation process, organizational forms develop through a process of gradual change in which new structures are added to existing ones. In this case we have a more complex, loosely coupled organization in which activities and changes in one part of the organization have no or only diffuse implications for activities in the rest (Bleiklie & Kogan, 2007, p. 483). As we move to our direct context, we need to know and understand what are likely to be the effects of a reform in a university. How does the reform penetrate the institution and what kind of dynamics accompanies this process? Once again, we emphasize the fact that the degree and the type of change shall be depending among other factors, on the compatibility of the policy with the dominant values and norms existing in the university. Moreover, as we have discussed before, the distribution of decision making authority and the degree of institutional fragmentation are important factors conditioning the extent to which coordinated change is likely (Gornitzka, 1999). The gradual and organic processes of change, means that reforms, for better or worse, tend to accomplish less than originally announced (Bleiklie & Kogan, 2007, p. 483). We believe on the existence of competing interpretations with regard to the meaning of the policy requirements. We notice a difference between the interpretation made by government officials and the one supported by the university. Furthermore, according to our research, there are differences of interpretation even within the university, especially between the top institutional leadership and other leadership levels. However, the variety of the interpretations represents the complexity of the policy environment and perhaps one of the reasons why policies do not achieve exactly what they originally aimed. The replacement of goals or addition of new goals, such as efficiency, manageability, accountability and profitability, does not necessarily have any direct implications for leadership

and organizational behavior (Bleiklie & Kogan, 2007, p. 484). The overall proposition we could make is that the more a policy departs from the existing behavior and procedures, the more resistance it will encounter when implemented and the more it will be affected by the tendency to transform a reform back towards the established order (Gornitzka, 1999, p. 18).



## **Chapter 3: New governance reforms in Higher Education, European Experiences**

### ***Introduction***

European countries have undergone through a long process of reforms with regard to higher education. Several works of scholars are based on national and cross-national analysis with regard to reform type, breadth, intensity, intentions, instruments and outcomes. Our research aims to identify and understand policy intentions which seek to restructure the higher education governance. Therefore, the European experience coming through several studies will be of important use. From now on, we will tell a story which begins with the European countries, HE governance reforms, and ends with the Albanian experience. The chapter is divided in seven sections with the hope that each of them will clarify the theoretical basis on which our research stands.

### ***The situation before reforms***

The analysis will focus on the last twenty years, during which almost every country in Europe has experienced government's efforts to initiate change in higher education systems. In order to start the discussion in a chronological order, we will mention some observations which illustrate how things were before the reforming process.

Until the mid-1980s, the Ministry of Education and Science regulated all manner of issues related to personnel, finances and infrastructure, while the professoriate determined all matters related to teaching and research. Within universities, central institutional management (i.e. the executive board) was relatively weak (De Boer & Goedegebuure, 2007). A similar observation goes for the France case in which the university sector was largely characterized by strong state-control, strong academic guilds, weak institutional governance, and indecisive institutional level collegial body (Amaral et al., 2002, p. 286).

Many authors, starting with Clark (1983), have come up with the idea of a higher education system type named the continental model. This model was described as a system which was coordinated almost exclusively by two actors, government and academic oligarchy. These two actors have been found significantly powerful in each higher education system in the continental

Europe. Governments and academics shared the power to govern the sector. Thus, the origin of changes in the sector was possible to be traced in the relational dynamics between the government and the academic oligarchy. Such higher education system landscape is confirmed by the Norwegian case, too, in which higher education has been characterized by quite strong state dominance concerning funding, regulation and admittance to higher education, weaker institutional leadership, and quite powerful departments within higher education institutions (Stensaker, 2006, p. 44). Governments start to believe that their country's higher education performance was not going well. In a larger context, a dominant idea did percept public universities as self-serving and producer-dominated, which would benefit from practices developed in the private sector, including the devolution of financial and other responsibilities to lower organizational levels (Deem, Hillyard & Reed, 2007, p. 41). Many experts concluded that the way how the higher education system was being coordinated was hindering the abilities of the system to improve and adapt to new demands and challenges. Later on, the university was pictured in the heart of the economical development, and thus an important player in fostering the economical competitiveness of the country. Moreover, the higher education subsystem got bigger, more expensive, politically more visible, and economically more strategic, and thus external and governmental pressures on the higher education subsystem were expected to increase (Ferlie et al., 2008, p. 328). The need for change did grow, and this, consequently, initiated reforms endeavors.

### ***The general picture***

The state is now seeking to shape higher education systems more actively. The use of more generic perspectives is evident in some recent studies of higher education (Hood et al. 2004; Reed 2002; Maassen & Stensaker 2005 cited in Ferlie et al., 2008, p. 326). These attempts are being supported by the understanding that collegial, disciplinary and democratic organization, and individual autonomy are considered not capable to handle fast decisions and secure good performance, thus they should be replaced by strong management and inter-disciplinary organization (Olsen, 2007, p. 13). What is of the outmost relevant here is the idea that university failure to perform is believed to originate from the way the institution was structured and governed. Thus, it was believed that, by changing the governance patterns and strengthening the

managerial activity, the institution would be able to perform and satisfy the requirements set by the government, society or particular stakeholders.

Moreover, in many public systems in Europe, a semi-competitive logic between institutions has been introduced, in which competition for students and research funding is expected. This semi-competitive logic may provide an important rationale for organizational reforms whereby corporate structures are introduced (Bleiklie & Kogan, 2007, p. 490). Additionally, we have realized that many researchers focus on institutional-level policy networks, and on their impact on the interplay between the formal structures of university governance and the more informal management processes, and on practices that emerge over time within these governance structures (Meek et al., 2002, p. xx). We believe that such ideas indicate a correlation between structures and processes, although we still think that this relation is not linear or particularly strong.

It is argued that the mid of 1990s represents a shift of emphasis from the promotion of market mechanisms to performance measurement, and improved accountability. Thus, this represents a shift from ideology driven reform to more pragmatic reforms of governance (Maassen, 2003, p. 47). Such observation may be linked to the assumption of a shift from liberal type competition approach to the new public management which seems to consider more essential the internal management than the external competition. Furthermore, academic leaders are appointed and external representation enters into the governing boards of the University. External accreditation and mechanisms that oversee and evaluate the quality and quantity of university performance are taking place (Brennan & Shah, 2000 cited in Olsen, 2007, p. 13). Additionally, Stensaker (2006, p. 45) work notes that, in the period between 1990 and 2000, important developments within the sector included: various smaller reforms emphasizing the need for more accountability, stronger institutional leadership, strategic planning, decentralization of responsibilities and stronger institutional autonomy. Many of the reform attempts seem to converge with the below categories:

a) markets (or quasi markets) rather than planning; b) strong performance measurement, monitoring and management systems with a growth of audit systems rather than tacit or self regulation; and c) empowered and entrepreneurial management rather than collegial public

sector professionals and administrators (Ferlie et al., 2008, p. 335). Such mechanisms seem to be designed in order to achieve outcomes like enhanced effectiveness and efficiency within the university. As it is noticed in several works there is an increased concentration on goals and efficiency Ferlie et al., (2008) which are expected to be achieved through instruments like institution strategies, strong central leadership, skillful management, and appropriate decentralization downwards. Interestingly enough, some researchers notice that autonomy from government is turned into a management tool for changing universities (Amaral et al., 2003; Felt 2004 cited in Olsen, 2007, p. 13). This original observation sets the scene for the next section which deals with the issue of institutional autonomy.

### ***Institutional autonomy***

As elsewhere, traditional modes of government steering, based on the notions of comprehensive planning, have been in retreat. In the 1980s and 1990s, new modes of governance, in the form of “steering at a distance”, and new public management approaches gained ground (De Boer et al., 2007, p. 27). This development gave life to a number of transformations which have involved almost every actor in the higher education sector. Overall, the higher education reform agenda has involved governments in greater focus on strategy and priority setting and less involvement in the running of the system on a day-to-day basis (OECD, 2003, p. 62). An immediate effect of the “new era” was a further growth of the universities institutional autonomy. As it is confirmed from an annual OECD report, institutions are gaining greater freedom to run their own affairs. But in exchange for autonomy, governments require greater accountability, linking funding to performance and publicly assessing quality (OECD, 2003, p. 60). It is also observed that, during the last two decades, governments are witnessed to have transferred authority vertically downwards to higher education institutions (Maassen, 2003, p. 35). However, it is argued that all this development came to a cost. The moderated position of the government, on one hand, created more freedom to universities to determine its own affairs, but on the other hand, as in every case, freedom is supposed to be followed by responsibility. Thus, universities were expected to be capable to handle new processes and make intelligent and professional decisions. Consequently, we come to the point in which the accountability notion balances and oversees the expansion of autonomy. It is noticed that the university finds itself in between two distinct accountabilities, one toward the government which is called vertical accountability, and the other

toward stakeholders or society known as horizontal accountability. However, a number of authors think that the enchantment of the autonomy does not mean that governments are staying out of the game.

According to Gornitzka & Maassen (2000), the increase in the organization independence from the government seems to have been balanced from the increase in accountability. One of the governments' conditions was the simple idea that in return for more autonomy, the institutions should demonstrate being able to handle the new freedom in a responsible manner. Consequently, reforms continued to address such issue as how the state could become less directly involved in the university administration affairs, while, at the same time, having an increased influence on the quality of university outcome and its responsiveness to national priorities and needs (De Boer et al., 2007). The same attitude is confirmed by the OECD (2003) report which notes that, in general, governments are withdrawing from direct management of universities, but, at the same time, they introduce new forms of control and influence based largely on holding institutions accountable for performance via powerful enforcement mechanisms, including funding and quality recognition. However, we believe that a balanced accountability is an instrument which, on one hand, helps governments on their intention to monitor some critical system parameters, but on the other hand, it enables universities to be more responsive with regard to environment dynamics. Additionally, it is argued that groups with a stakeholder interest in universities should play a much more prominent role in setting their directions, what is referred to as 'horizontal accountability' (De Boer & Goedegebuure, 2007). Thus, many countries introduced university Boards which had a strong participation of individuals coming from outside the university. Further, "new" elements include greater accountability of academics to their paymasters, including performance management, teaching and research quality inspection, performance indicators, and target setting (Deem et al., 2007).

The above observations reinforce the assumption that universities are currently shaped by two types of accountability which seem to furnish the university with "impulses" that are not always easy to accommodate. Additionally, the literature indicates that this double accountability provides a higher transparency regarding the academic work, even though transparency creates pressure and stress which might harm academics creativity. Academics find themselves

accountable to many bodies within and outside the institution, and this goes hand in hand with the claims of academic work performance evaluation (De Boer et al., 2007). Another instrument, which can be linked to the issue of accountability, is the almost “continental” introduction of the national evaluation systems developed in association with the political rhetoric of decentralization, and the delegation of responsibility from the state to higher education institutions (Gornitzka & Maassen, 2000, p. 276). Both the evaluation systems and the performance management seem to strengthen the position of governments, university administration, and executive leadership vis-à-vis knowledge workers. Although one might think that evaluation cannot be conducted without the peer review instrument, which in turn helps the preservation of power in the academics hands, some articles tell us that the process of performance evaluation is being transformed into quantitative practice, which tends to simplify information and indicators by allowing so a greater involvement of the “non experts” into the process. However, there are other works which diminish the power that the outsiders gained as a result of the evaluation system establishment. One example states that evaluation and quality issues represent a strengthening of the role and the impact of academic profession instead of a strengthening in the impact of market forces or the ministerial influence (Gornitzka & Maassen, 2000, p. 276).

### ***Centralization vs. Decentralization***

The ‘upgrading’ of the university suggests, however, that the university is transforming from a ‘loosely coupled’ to a more ‘tightly coupled’ system (De Boer et al., 2007, p. 28). Increased governmental emphasis on efficiency, effectiveness, and accountability has forced higher education institutions throughout Europe to adopt structures, systems and routines according to such objectives. Observers report a stronger institutional decision-making centralization (Askling, 1997) and attempts to develop formal administrative systems which will better support university activities (Gornitzka et al., 1998 cited in Stensaker, 2006, p. 43). Recent changes in institution-level governance have shifted the balance of power and authority within universities through the development of new central governance structures, changes in participatory governance arrangements, and strengthening the role of the central administration (Amaral et al., 2002, p. 287). Corporatism and then neo-corporatism, passing more centralized decision-making powers to administrators and lay members of governing bodies, began to enter the system (Deem

et al., 2007, p. 39). The intention is to transform the university from a reality in which organized chaos is the dominant organization approach to a more integrated organization with a better balance between “bottom heaviness” and central steering core. It is argued that the development of common strategies, a better balance between executive and collegial leadership, and the installation of a managerial culture and infrastructure will secure a better integrated and efficient organization. Thus, there is an emphasis on institutional strategy, and a shift in power away from individual departments. External members sit on governing bodies formerly dominated by academic interests. Senior managers are selected for their leadership skills, as well as for their academic prowess (OECD, 2003, p. 60).

Some other authors associate such changes with the general ideology known as new public management. It is believed that new public management approaches stimulated further means to strengthen institutional leadership and managerial technologies in the higher education sector (De Boer et al., 2007, p. 30). Leadership functions and administrative structures are strengthened both with regard to the formal competence of administrators, as well as their authority as decision-makers. Their role seems to be strengthened compared to representative bodies, as they assume more and more responsibilities, not only for the day-to-day routine affairs, but also for strategic planning, budgeting and the growing apparatus dealing with performance monitoring and reporting (Bleiklie et al., 2000, p. 52).

Quite similar trends are noticed all over the western European countries. Facts as executive leadership is strengthened compared to collegial bodies, the transfer of former government tasks in the central level of the university, the growing importance of the common strategic planning, and the modernization of the central administration with a strong emphasis on management and financial matters represent evidences toward a developing centralization tendency inside the university. Such opinion is further supported by another observation which states that the movement towards greater centralization of decision-making through strengthened governing board and central administrative structures has reduced the power of local collegial governance arrangements. Thus, authority over some policy issues has moved up within the institution in order to allow universities to develop cohesive strategies and policies (Amaral et al., 2002, p. 289). It seems that many policy makers believe that strategic plans, together with a strong university leadership, will pull the divided university together. Strengthening executive

responsibility can help institutions to sharpen their performance in a competitive environment by clarifying lines of responsibility and developing more of a strategic capacity (OECD, 2003, p. 73). Additionally, in UK, several government reports not only called for improved strategic and financial planning, but also urged universities to move away from the traditional model of “consensus”, or administrative management towards a more assertive, “executive” approach (Davies & Thomas, 2002, p. 180).

In most countries, there have been efforts to reinforce the executive authority of institutional leaders. Common key elements have been a transfer of power to the Rector, Vice-Chancellor and other leading administrative figures, and a loss of authority and decision-making power on the part of traditional participatory and collegial bodies. The increased weighting of “external constituencies” and outside interests has contributed to the strength of executive authorities as institutional autonomy has increased, and, as in parallel, external performance management and other accountability mechanisms have required universities to publicly demonstrate their efficiency and effectiveness (OECD, 2003, p. 73).

However, it is argued that the centralization trend discussed above has been followed by a second move which tried to empower the lower levels of the university. We believe that the significant autonomy that universities gained recently was a big event which will need time to be accommodated properly. We assume that universities are still under the process in which they are trying to find the right balance of power allocation among its levels. Thus, we argue that the process of centralization and decentralization within the university is still on the move. In terms of power distribution, it is observed that in some countries there is a strong skepticism about transferring too much power to senior leaders and a bigger demand for traditional forms of democratic accountability, including elections of Rector (Ferlie et al., 2008, p. 334). Moreover, it is assumed that the university centre sets the strategic framework and governance instruments, while the periphery is given operational freedom to deliver, but only within this strategic framework (Ferlie et al., 2008, p. 335). We need to emphasize here the fact that there is no solid agreement between scholars regarding the type of events that are accompanying the university internal power distribution.



However, it is noticed that one policy version seems to aim enhanced central co-ordination and control within the university, but through organizational mechanisms and managerial practices that promote flexibility, decentralization and enterprise (Meek et al., in Amaral et al., 2002, p. xxii). While the corporate enterprise ideology calls for a clear subordination of departments and interest groups under the central leadership of the enterprise. It is a common idea that decision-making authority should be decentralized as far as possible to the basic operations units in a corporate enterprise (Bleiklie et al., 2000, p. 190). Additionally, it is argued that flexibility is organized by delegating decisions to those actors who have intimate and detailed knowledge of the situations in which the planning should take place. The delegation of decisions to those who are informed in more detail about their own environments increases the level of information in the overall system and the capacity to react effectively to new or unforeseen circumstances (van Vught & Maassen, 2002, p. 12). Referring to the above arguments, it is possible to recognize an attempt to establish a university structure which guarantees that both centralization and decentralization approaches coexist and contribute to better organization productivity. Intentions to use centralization where it is necessary, while enhancing decentralization in those levels where creativity and expertise is of key importance, are found very common in many countries. Thus, we should expect to find such a combination in which standardized principles of governance, such as activity planning and management by objectives, are supposed to promote an efficient exploitation of resources. Internally, this is supposed to be achieved by decentralizing responsibility downward within the organization and by introducing following-up measures such as evaluation and performance control (Bleiklie et al., 2000).

### ***Management and evaluation as instruments***

In Higher Education, the introduction of NPM has struck at the heart of the notion of academic professionalism, increasing management power and reducing professional autonomy (Davies & Thomas, 2002, p. 182). During our literature review, we have encountered often the belief that new public management ideology did encourage the introduction of managerial culture within universities. However, management is viewed as the best way to handle new missions and the degree of efficiency that governments expect from the universities. An interesting trend in this respect is the repositioning of the rector (vice-chancellor, or president) as a chief executive officer in many higher education systems (Amaral et al., 2002, p. 288). Academic leadership is

under a process of reconstruction and, sometimes, even of hybridization. University leaders should behave increasingly as managers and chief executives apart from their traditional role as representatives of the academic community. A more active role is expected from the leaders, and, in some occasions, executive teams are introduced in order to back up the new roles that top university leaders have to fulfill. There is a transformation of power in which institutional leaders, who used to act as *primi inter pares* are now closer to the position of chief executives running a corporate institution (Bleiklie & Kogan, 2007, p. 479). Universities were equipped with managerial instruments (strategic plans, audits, etc.), tools (management software), indicators (Cave et al. 1991), and practices (Ferlie et al., 2008, p. 331).

Nevertheless, it may be a mistake to think that collegial academic bodies are finding their selves in a powerless position. In fact, the process can be better viewed as a rearrangement and rebalancing of power and authority. The traditional power sharing was very bias toward the collegial pure academic decision making bodies. This scheme was considered not able to work properly according to the new reality, and thus changes needed to be made. But the picture of powerless academic community is too far from the reality. At least, in many systems, collegial academic bodies and discipline based groups control still a wide range of processes within the university. The news here is the fact that now academics should co-govern together with managers, administrators, and hybrid institutional leaders. According to some authors, new public management legitimized the introduction of some other further mechanisms apart from strong management. Among the most interesting instruments, those linked to evaluation occupy an important place. Within this category, the introduction in the mid/late 1980s of QAA (teaching) and RAE (research) in the UK can both be seen as classic NPM based instruments of steering. A second category concerns the new formula developed for the allocation of budget and human resources. They are also mostly NPM based and intend to better acknowledge the particularities of each institution. These new methods attempt to embrace economic incentives, aiming at transforming individual behaviors (Ferlie et al., 2008, p. 341). In many other cases, besides UK, NPM ideas led to a widespread activity aiming at measuring individual and organizational performance by using standardized performance and qualification criteria, and, as a consequence, the evaluation of academic performance becomes administratively accessible. This means that an evaluation in principle can be undertaken by someone who does not belong to

the academic community and who has no knowledge of the academic subject under scrutiny (Bleiklie et al., 2000).

Some authors agree on the idea that, on one hand, the evaluation mechanism is used as an instrument providing more information to administrators or to the general opinion, while on the other hand, it is used as a steering instrument helping governments and university leadership. The evaluation process put academics somehow in pressure since it usually emphasizes activities contributing to the university strategy compared to activities justified by disciplinary needs or interests. Thus, academics are steered to be in the same line as the common institution aims. Thus, it seems that they risk to slightly lose autonomy toward crucial decisions like what to teach or research. However, we believe that the evaluation in general and performance evaluation in particular help to link objectives to activities.

### *Consequences and concerns*

The literature we reviewed confirms that change has happened. Governance was the first university feature which has experienced careful assessment and then strategic intervention. As we mentioned earlier, many other changes occurred, including the relation between government and higher education institutions, university institutional freedom of action, devolved financial management, the entrance of management practices in the system, the intensification of the audit and evaluation culture, and many other things. The literature we read paid a good attention to such consequences and to the concerns attached. It seems that the requirements for accountability and academic output maximization, put academics in a situation of struggling for securing a degree of self-regulation over their work, surrounded by the pressure for replacing the traditional ethic of collegiality with that of managerialism and quasi-market competition (Davies & Thomas, 2002, p. 182). In addition to the above, it is observed an elaboration of powerful managerial infrastructures which now parallel and, to some extent, replace the academic structures of deans, heads of departments and professors. Governance by academics that used to be based on collegial decision-making bodies have become integrated into the administrative line of the organization, and thus become part of top-down decision-making structures (Bleiklie & Kogan, 2007, p. 479). The above confirm that the reform impact has been quite strong with regard to the university traditional style of governance. The classical collegial bodies are either starting to

lose their grip on important matters, or are being integrated to the new governance structure facing the risk to be co-opted by the new culture.

Nevertheless, there are few cases where relatively speaking stability, rather than change, has characterized the system. The Norwegian case can be used as an example here, although important changes regarding governance arrangements have occurred in the college system. As we mentioned earlier, consequences create concerns. It is argued that new public management ideology has placed considerable emphasis on cultural change and the need to overtly manage academics and academic work in the context of the marketization and gradual privatization of publicly funded education, using explicit performance and quality indicators for teaching and research (Deem et al., 2007, p. 39).

In addition, it seems that disciplinary competence is no longer required in order to evaluate disciplinary performance since information regarding academics activities are being quantified and simplified (Bleiklie et al., 2000, p. 52). The concern about the new forms of higher education management and governance is whether they can actually still enable academics to work creatively and effectively in the current conditions, whilst also providing accountability and continuing to support knowledge creation and transmission (Deem et al., 2007, p. 166). Moreover, two researches done in UK and Norway do reveal some important contradictions accompanying the implementation of the new governance and management arrangements. First, the twin idea of “management by objectives” and “decentralization” reflect potential tension between the concern of securing a firm superior leadership in order to reach a common goal, and the concern of creating flexibility at the level of the department or the individual scholar (Bleiklie et al., 2000, p. 191). The second contradiction is viewed as a tension between the emphasis on efficiency and quality. The aim of increasing output with a minimum of resource is opposed to the aim of securing high quality of the research-and-teaching effort (Bleiklie et al., 2000, p. 191).

Despite the fact that the above contradictions are relevant, we believe that the new managerial culture may help in smoothing the tension. An appropriate managerial structure, on one hand, may actively link the centre to its peripheries by minimizing the tendency for extreme

centralization, while on the other hand, may facilitate the general aim of doing more with less without harming quality. However, the concerns may be a bit overstated since many studies confirm findings which emphasize the institutional “room to maneuver” with regard to HE policy implementation.

### ***Ending Remarks***

The dramatic attempts to reform the higher education and the noticeable change occurred as the result of their implementation that has made several scholars to think about a new balance between old and new provisions. Stability is an important ingredient for many institutions, and even more important for universities if we take into consideration their complexity, both in structure and processes. Furthermore, Shattock (2003) argues that it is essential to retain collegiality in universities in order to sustain and nurture the academic endeavor (cited in Deem et al., 2007, p. 111). Hence, for some authors the power sharing instead of power concentration is the answer to new challenges that university has to face. Thus, in order that shared governance to work properly, joint committees, joint consultation on specific topics, and joint formulations of strategy must be used, which in turn will bridge the gap between lay governors and academic community. Institutions work best when governance is seen as a partnership between the corporate and the collegial approaches, and where a sense of common purpose informs the balance of the relationship (Shattock, 2002, p. 243). Additionally, it is believed that changes in the steering approach may occur without necessary doing away with the institutional arrangements of former approaches (Gornitzka & Maassen, 2000). The last remark suggests that the governance of higher education in the 21st century needs to develop a fusion of academic mission and executive capacity, rather than substitute one for the other. The art of policy making will in future involve ensuring that public goals are met in higher education through influence rather than direction (OECD, 2003, p. 75).

All the above contribute to the central question, whether the European experiences are compatible to the Albanian higher education context. Additionally, to what extent do the reforms and approaches presented above explain the past and the present reforms processes in the Albanian higher education sector? Does the Albanian case differ drastically from the above cases or are there similar patterns which predict similar outcomes? A preliminary analysis suggests

that the recent governance arrangements, introduced by the current higher education policy in Albania, do have some similarities with regard to the cases described in the above sections. The same seem true with regard to the university internal formal governance framework. What seems to make the Albanian context different from the Western European countries is the way how reforms are undertaken. Quite different from the Western European countries, Albania has a weak record of the rule of law. The government is not still capable to master efficient instruments which will guarantee a comprehensive implementation of reforms. Additionally, the population in general and institutions in particular do act strongly according to informal habits. This might be even more expressed in the case of higher education which as explained in the current and the previous chapter constitutes a particular environment which is quite resistant to top down processes of change. However, we hope that the upcoming chapters will shed more light with regard to this issue.

## **Chapter 4: Types of Governance Models**

### ***Introduction***

The issue of the governance model plays a crucial role in our research. Since governance in higher education, in both system and subsystem level, is the main phenomenon under the research investigation, a solid understanding of the nature and types of governance modes is indispensable. In this chapter, we will present and discuss core governance models that we find essential for understanding the current reforms in Albanian higher education. Since we assume that governance mode is an outcome of the interaction between system and subsystem conditions, and that type of system governance and type of higher education institution constrain and shape each other, we will focus on models that deal both with characteristics at the system and institutional level. For instance, it may be very rare to have a system mainly dominated by the state, while the corporate enterprise Bleiklie (2000) dimension of the universities is solid. Or it might be very unlikely to find an evaluative state model (Neave 1998) in a higher education system in which the market mechanisms are underdeveloped and universities operate as meritocratic community of scholars (Olsen 2007). These two examples have been used in order to support our assumption that the system level governance type indicates the higher education institutions nature, and vice versa, the HEIs characteristics give an idea about the government attitude and its degree of power in steering the system.

According to the literature review, there is a variety of university ideals. Some of the university ideals share different names, while they share similar meanings. Thus, we have noticed several overlaps while comparing the works of the scholars with regard to this issue. The same seems to be true regarding governance models. Some concepts like evaluative state or steering from the distance, instrumental approach or sovereign state, or comprehensive planning state, seem to overlap with each other. Based on the above, we believe that the similarities among governance models or university ideals allow us to design an analytical framework which is a combination of elements coming from the distinctive works of scholars. However, we will discuss our analytical framework after presenting those works we have considered as appropriate to our context.

### *The system level perspective*

The first model under discussion will be the dichotomy of instrumental and institutional approach developed by (Olsen, 2007). We find this dichotomy quite simple and clear, and, consequently very operational. The basic ideas concerning these two steering approaches are as follows: **Strong state**- The University can be seen as an organizational instrument for achieving predetermined preferences and interests. Then, the issue is how the University can be organized and governed in order to achieve tasks and objectives in the most efficient way (Olsen, 2007, p. 5). This perspective seems to put the subsystem in a subordinated position toward the system level which is dominated by the government. The top down governance approach is emphasized, and thus, university is considered a public agency or an instrument for achieving national objectives. If the government considers the university as an instrument, academic freedom and institutional autonomy are supported as far as they produce efficiency and success toward priorities and requests stated by the government. In such steering framework, very often, there is a significant division between administrative, financial, and academic matters.

**Relatively weak state**- A University considered as an institution is a relatively enduring collection of rules and organized practices embedded in structures of meaning and relatively stable resources. The institutional perspective assumes that rules and practices have a value in themselves. As an institution, the University is involved in a pact based on long-term cultural commitments. The University is a fiduciary system (Olsen, 2007, p. 5). This perspective puts the university in a more powerful position. The relationship between government and the HEI seems to be based on partnership principals. University has an inner value and its worth fullness is not measured by the immediate application of knowledge in the respective society sectors. Institutional priorities are defined by academics based on discipline interests and needs. It is supposed that society believes that what is good for academics is good even for the society. Thus, there is no major scrutiny of the university performance from the government on behalf of the society.

A second model is the one presented from Clark (1983) in which three main variables construct what is called the system coordination triangle. In this model the government, the market and the academic oligarchy are the most essential power sources which coordinate the system. Thus the system structure, dynamics and outcome depends from the kind of position that such variables



have in the system. The government variable can be understood as a political apparatus or as a sett of bureaucratic institutions. The academic oligarchy may be **a)** an organized group of senior academics across the system, **b)** a more loosely coupled constituency within which local academic guilds control their territories or **c)** academics which are organized through their institution although not as their main domain of action. Finally, according to our opinion the market can be understood, **a)** as the private economical realm of the country which interacts with the higher education system, or **b)** as a sett of components like: the student market, contract research market and knowledge worker market. This governance model seems to us quite clear and simple to use. Furthermore it seems quite capable to embrace the continental mode and the Albanian higher education context. We assume that it is not necessary to elaborate this model further more since it is too famous for every one who deals with higher education issues.

### *The subsystem level perspective*

We have argued earlier that in our opinion the overall system governance mode is often largely determined by the interaction between the government and higher education institutions (this refers to the Continental model of governance if there is a single one). Additionally, we assumed a significant correlation between government position in the system and the type of higher education institution found in the system. This can also be true vice versa, in which the most common university type found in a system can indicate the kind of role a government has with regard to the system steering. The upcoming text will discuss some university ideals which in turn helped us to determine our analytical framework. We will begin with the four university ideals developed by (Olsen, 2007).

*The University is a meritocratic community of scholars.* The University is understood as an institution with a raison d'être and constitutive normative and organizational principles of its own. It is founded on a shared commitment to scholarship and learning, basic research and the search for the truth, irrespective of immediate utility and applicability, political convenience or economic benefit. There is collegial organization with elected leaders. All activities and results are assessed by the internal norm of scholarship (peer review). The system evolves through more or less internal, organic processes rather than by external design. The public funding followed by the autonomy from government and powerful economic/social groups, is justified by the

assumptions that society values objective knowledge and that knowledge is better advanced through free inquiry (Olsen, 2007, p. 8). This is a typical Humboldtian university, in which the nature of knowledge determines the rest. This means that pure disciplinary knowledge and the strong basic research culture shape the dominant institutional identity. The main power lies on the hands of academics who are the only experts who can make informed decisions regarding the way things should be done and what should be aimed. This ideal is compatible with the institutional perspective, professional bureaucracy and the Humboldtian University. This is the most common model found in continental Europe, despite some specifics regarding the role that the government has in steering the system. However, this type of university has and is still undergoing through an energetic reformation. A further significant characteristic that represents this university ideal is the weak institutional leadership and management culture.

***The University is an instrument for national political agendas.*** The University is considered to be a rational tool for implementing the purposes and policies of democratically elected leaders. Research and education is a factor of production and a source of wealth and welfare. The University's purposes and direction of growth depend on political support and funds more than on scholarly purposes. Autonomy is delegated and funding depends on how the University is assessed on the basis of its effectiveness and efficiency in achieving political purposes. Change in the University is closely linked to political decisions and changes (Olsen, 2007, p. 10). We assume that this perspective is found in every system, although the degree and the intensity may change significantly. Governments have invested in their country's higher education system for a long time, and they usually believe that higher education is a society instrument. Since higher education exists due to its positive contribution regarding society welfare and development, universities should accept governments requests addressed on behalf of the society. What needs to be emphasized here, is the fact that the system activity is based on a strong top down approach which hinders universities from the freedom they experienced within the first ideal. As a consequence, decisions or priorities set in the top (from government or government agencies) become structural conditions for the processes and practices inside the higher education institutions. It seems that the policy arena in this case is dominated by the government role. Governments expect that universities embrace and apply the integral or partial policies which governments desire to advance. The knowledge as a value in itself and the ideal of free and

disinterest enquiry lose ground. This ideal seems to be compatible with the instrumental perspective, sovereign state, or the public agency approach.

***The University is a representative democracy.*** The University is an instrument for the internal groups. The University is an interest group democracy allowing representation of employees and students in governing bodies (Olsen, 2007). This ideal is particularly interesting as it reflects significantly the public higher education institutions in Albania. We consider this university type as a derivation of the first type called meritocratic community of scholars. We think so, because the representative democracy ideal usually preserves the collegial method of governance, although, the power spreads beyond the senior professors. Furthermore, the leadership is elected, which is common for both university ideals. While, one main difference is the increased political processes within the university characterizing the representative democracy approach. In few words, consensus represents less often the decision making process, and power struggle between groups becomes a habit. However, in this model, the main power stays again within the institution, in which academics are the most powerful group in terms of votes and legitimacy.

***The University is a service enterprise embedded in competitive markets.*** Market competition requires rapid adaptation to changing opportunities and constraints, which again requires strong, unitary, and professional internal leadership being responsible for the University as a whole. The University has more freedom from the political authorities (Olsen, 2007, p. 11). Here, the market is the main system coordinator. Universities should adapt their structures and missions to demands and dynamics represented from the outside environment. The government is forced to provide more autonomy and flexibility to higher education institutions in order to be able to function in the new environment. Thus, the uniformity of institutional structures, procedures, type of services, and methods of work are not necessary any more, and instead, diversity becomes a significant characteristic of the system. However, universities are obligated to find a functional balance between strong institutional managerial and steering core, and decentralization and flexibility. The best combination of the above will allow universities to behave as an enterprise with clear missions, while on the other hand, will provide enough flexibility to achieve multilayer missions imposed by the dynamic environment. This perspective looks partly similar with the corporate enterprise approach, with the system steering mode represented by evaluative state, and steering from the distance.

What it is true in almost every occasion, is the fact that there is a combination of the above ideals in each higher education system. None of the systems can be characterized by only one pure dimension. We should expect a system which looks more hybrid than pure. However, we have to emphasize that different systems emphasize different ideals. This is further supported by Olsen (2007, p. 16-17) work which suggests that often various models supplement each other, and the task is to understand how different systems balance different concerns. How they develop power-sharing arrangements rather than allocate all power to faculty, students, administrators, public authorities, or business.

Another work we considered is the one published by Bleiklie et al., (2000, p. 47-51) which investigates the changes occurred in the Norwegian higher education system. Bleiklie framework is composed by three dimensions which are somehow similar to the others discussed above, although, expressed in a different way. According to his work:

***The university as a public agency*** means that one set of expectations is related to the university as part of the national civil service and as implementer of public policy. The university finds itself within a hierarchical bureaucratic order and puts in principle knowledge at the disposal of superior political administrative units.

***University as an autonomous cultural institution*** implies that its primary task is to engage in academic activity based on autonomous research and teaching.

While ***the university as corporate enterprise*** considers the university as a producer of education and research services. Seen as a corporate enterprise, university consists of a leadership and different functional (academic, technical, and administrative) staff groups serving different user groups in need of the service that enterprise offers. However, the most important expectation confronting the corporate enterprise is efficiency. The notion of a corporate enterprise implies actions that pull both in the direction of centralization and decentralization. The university as a corporate enterprise ought to be able to operate under few limitations introduced by the state. The corporate enterprise ideal emphasizes delegation of decision-making authority till the level at which the services in practice are rendered. Yet a strong leadership is regarded necessary, which uses incentive systems and close control of performance on all levels, in order to guarantee that the organization functions as reliably and efficiently as possible (Bleiklie et al., 2000, p. 51). Stakeholders' representation in the university main governing body is a new

element added to our corporate enterprise ideal. This last ideal will be used in order to build our analytical framework.

***Strong academic community*** - Another big building block with regard to the internal university governance is represented by the Professional Bureaucracy ideal, which is a structural configuration that allows for standardization and decentralization at the same time, namely, the standardization of skills (Minzberg, 2002, p. 171). A university which operates based on the above approach is very similar to the ideal of meritocratic community of scholars or the Humboldtian University. Since a great deal of power over the operating work rests at the bottom of the structure, with the professionals of the operating core, the techno structure and middle line of management are not highly elaborated. What frequently emerges in the Professional Bureaucracy, are parallel administrative hierarchies. One is a democratic and bottom-up for the professionals, and the second, a machine bureaucratic and top-down for the support staff (Minzberg, 2002, p. 179). This type of university is dominated by the professionals who are divided in disciplinary groups which together control the main decision making process across all the institutional levels. The government does not have the ability to control the university since the real expertise and relevant information remain with the professionals. Thus, professionals control each other based on disciplines, norms, and collegiality. This type of institution is characterized by a strong autonomy of the individual scholar. As it looks obvious, modern management and administration are not part of the institution. The administration is considered as a support instrument which serves and obeys to academics. The institutional leadership should represent the culture and interests of the academics, and as a consequence, the executive leadership identity is underdeveloped. In Professional Bureaucracy, there is virtually no control of the work aside from that by the profession itself which provides no way to correct deficiencies that the professionals themselves choose to overlook (Minzberg, 2002, p. 188).

### ***The rationale of the analytical framework selection***

The analytical framework is a crucial ingredient for our research. Parts of the framework have been used during the field work as an orientation compass regarding the identification of the issues and processes we did investigate. Furthermore, the two main parts of the analytical framework helped us to analyze and interpret official documents and interviews data.

However, we find important to clarify the motives and the rationale why we have chosen the analytical framework presented in the upcoming section. These arguments are as follows: The past Albanian governance mode, (we assume the same to be true in the present time), has been characterized by a significant similarity with the continental model in which the system steering power was exclusively divided between government and academics. Government dominated the administrative and financial matters, while knowledge workers controlled the academic activities. Nevertheless, based on a preliminary document analysis and the interview data, we believe that the new higher education law has changed somehow the formal system steering landscape.

We assume that the current reality reflects a strong mixture of professional bureaucracy which is characterized by the power that departments have in influencing their local academic activities. Additionally, department heads are elected exclusively by their peers. Secondly, we assume a strong representative democracy ideal, which is represented via the election of deans and rectors by the whole university community including students and administrative staff. Furthermore, students and administrative staff are represented in the main decision making body both in the faculty and university level. Thirdly, the law encourages a stronger executive leadership expressed by the rector and the Rectorate, in which the later represents an executive collegial team composed by the rector, vice rectors, faculty deans and the university chancellor. Additionally, a new body entered in the university formal structure named the Administrative Council which for the first time injects the lay membership in the university decision making process. This body is formally a central factor concerning finances, administration, and university properties. Both executive leadership strengthening and the introduction of the Administrative Council emphasize the corporate enterprise dimension within the Albanian public university. Finally, the government has transferred a number of competencies to universities which advanced its institutional autonomy. However, important mechanisms remained within the government power territory. We can mention a few such as: tuition fees, the number of student enrolment, approval of the new degrees, departments, faculties or universities, and so forth. We assume that, generally speaking the government has reshaped its position with regard to the steering of the system. The new legal framework introduces some new way of interaction between the government and HEIs. Intermediate bodies, both local and national, enter to the system. However, we assume that the government has a stronger role in a de facto basis, while

formally it still controls some strategic mechanisms with regard to the higher education system coordination. Based on the above evidences and assumptions, we believe that the below analytical framework is suitable for the Albanian case.

### ***The Research Analytical Framework***

Thus the first part of the governance analytical framework is represented by the famous Clark (1983) triangle of coordination which in our view is still solid with regard to the current higher education dynamics and furthermore quite simple to use. The second part of the framework is represented by the four level model reflecting the higher education institutions types originating by two different works, that of (Olsen, 2007) and (Bleikleit et al., 2000).

- The University is a meritocratic community of scholars
- The University is an instrument for national political agendas
- The University is a representative democracy
- The university as corporate enterprise

The second category of the analytical framework is represented by the issue of university institutional autonomy. We have emphasized in the first chapter that we consider a strong correlation between the concept of governance and the concept of university autonomy. This part of the analytical framework will be used mainly in the chapter that covers the analysis of the Albanian higher education reform intentions. The following autonomy components are based on the OECD (2003, p. 61) report.

- How much freedom institutions have to run their own affairs
- The extent to which they rely on government funding or can draw on other sources
- The changing ways in which the higher education system itself is subject to quality assurance and control
- The strengthening of the governance of the institutions
- New roles for their leaders (OECD, 2003).

Both concepts, substantive and procedural autonomy, defined in the conceptual framework section in the first chapter, represent a complementary substance for the above instrument.

## **Chapter 5: Policy Background, Main Positions and Actors Involved**

### ***Introduction***

The Albania higher education system, after the collapse of the communism regime, started to develop according to the classical Continental mode, which Burton Clark investigated in the 80s. From the 1999 until the 2007, the higher education scene was totally dominated by the government which represented a traditional bureaucratic attitude toward the system and the faculties represented mainly by the dean and the senior professors. The government controlled several important instruments with regard to administration, finances and academic matters. Since government had to perform a variety of tasks, it was forced to develop its bureaucracy, although this did not prove efficient since the entire state was under a maturing process. However, the government used detailed directives in order to regulate the activities within the university. We have to emphasize here that according to our opinion, on one hand, the government intended to steer actively the system, and detailed regulations are a fact which illustrates such desire, but on the other hand, it lacked capable implementation and monitoring instruments and, as a consequence, the academic community had more freedom than someone may conclude based on legal documents. Since government controlled some important variables in the system, the universities lacked a well developed bureaucracy. The steering core of the institution was highly traditional and underdeveloped. The executive leadership was more a mechanism that helped to preserve the status quo than an instrument for action and results. The university was quite a loosely coupled organization, fragmented in faculties and disciplinary groups which made the decision making in the centre of the organization very time consuming. The interaction between faculties was very weak. For instance, there were almost no interdisciplinary study programs offered by a faculty, or it was very hard to transfer the result of a course from a faculty to another. The faculty dean had a very strong role usually in a de facto basis. The rector had to represent the complex interests of a fragmented organization. The undeveloped university administration was not able to support the rector to have a more active role with regard to a more integrated organization. Furthermore, the university Senate, which was the main university governing body, was not capable to secure strong decision making outcomes. This body was very traditional and was constituted based on a strong disciplinary



representation. Executive teams did not exist, neither in the upper level of the organization or in the prime unit level. With regard to the internal dynamics of the system, we can say that there was not any intensive cooperation among universities. The private sector was underdeveloped. However, the universities did have the right to organize the student enrolment process, but after the Democratic Party came in power, in 2005, this competence was transferred to Ministry of Education and Science. Before 2006, the enrolment process was organized by the faculties, and after some years, did prove to be highly corruptive and quite impossible to be supervised. Therefore, a national centralized exam, managed by the Ministry of Education and Science, was introduced and, after three years of its existence, the results seem outstanding. We assume that such event illustrates a kind of abrogation of one of the university autonomy components which ironically brought a better performance. We mentioned earlier that a new government came in power in September 2005, and its main promise was the undertaking of numerous comprehensive reforms.

### ***The reform***

Reform is a very popular word in Albania. Each government coming in power promises comprehensive reforms, which on one hand, are expected to advance our journey toward European Union membership, and, on the other hand, to increase the society welfare. Reform has become the main word in any speech or fight in the Albanian political arena. Little by little, this word is embracing any meaning possible, thus, risking to be transformed in an ideology. Moreover, the policy making process under democratic conditions is quite young, and thus, very often the process is closed. Politicians, bureaucrats, and the so called experts are often the only actors who “cook” policies. In the higher education case, things have been always relatively different, especially during the last policy design in which the process involved the interest groups, mainly academics and students. During this period, it was observed that the policy arena became more democratic, although, the process was characterized by strong clashes between the government and the public universities leadership. The governance coalition led by the Democratic Party, announced in 2006, significant changes in the higher education policy. This proposal aimed a modernization of sector and a further integration of the system into the European Higher Education Area. Moreover, strong emphasis was put on the improvement of the public universities governance and administration. Thus, a new and unconventional governance

arrangement, like the university governance board with a strong lay presence, has been proposed. Furthermore, the original intention was to give to the board the authority to appoint the university leadership, although, the idea changed later toward a co-decision between the board and the university community. The proposal aimed a university leadership including the rector, which was capable to perform a managerial role. The same proposal aimed to transfer some of the university Senate power to the university governance board.

These proposals have been strongly opposed primarily by the university leadership which was the direct target of the proposed change. The position of the government was diametrically different compared to that of academic leaders. The academic leaders argued that the proposal endangered the university autonomy and the academic freedom. They supported the ideal of collegiality and the necessity that the academic senate remains the main decision making body of the university, so that the internal decisions can be controlled by the university community. On the other hand, the government called for the need to modernize the system in which the governance arrangements played a crucial role. The university decision making must reflect the needs of the society and the same thing should go for its production. The university management must be modernized, and the institutional accountability toward society and governments should be improved. Thus, the introduction of the governing board as the central decision making university body and the entering of the outside interests into the university practices was a necessary step. After a long public debate, which lasted almost a year, (as it was described by a government official during the interview, the government tried to meet and clarify the academic community but that was not made possible) the government withdraw its most sensitive proposals. Instead of the governance board, which was planned to be the main university decision making body, and furthermore, with a majority of the membership from the outside, the law introduced the administrative council with limited competencies and a majority of the membership from within the university. The second stepping back was the fact that the law extended even more the democratic mode of electing the university leadership by taking away this right from the university Senate, (in the case of the rector election) or the faculty council (in the case of the dean election). Instead, according to the new law, the elections should involve the entire university community. However, some other less radical changes regarding governance and managements have been introduced. These arrangements seem to have been “formally” accepted by the majority of the university community.

### *Policy making and policy actors*

Based on the above description, we might say that the most sensitive policy issues were negotiated by two main actors, the government and the university leaders. The government withdrawal from some of the governance new arrangements might be explained by the fact that it did not or could not follow the suggestion of the Brunssen & Olsen (1993, p. 6) work, which assumes that if a reform is to succeed, even though it clashes with the organizational identity, its advocates should command a concentration of power for outweighing any resources and alliances that can be mobilized by those that intend to reform. This presupposes in turn a commitment on the part of the leaders of the organization and a willingness to devote considerable time and interest to the reform project. We have to emphasize in this point that the majority of the Albanian public universities leaders have been positioned against the government propositions. Another explanation might be the fact that at that time, the government initiated many reforming attempts in several sectors and consequently its will, energy, and concentration, was impossible to be focused exclusively on the higher education policy. A third explanation might come from the question raised by Brunssen & Olsen (1993, p. 4) which consists in the idea that if formal organizations are perceived as institutions in environments which are also institutionalized, what implications does this have for the reformers freedom for action? Thus, we might assume that once the lengthy debate between the government and universities representatives ended, the policy makers realized the meaning of the above question.

However, we assume that one of the reasons why the government proposed radical governance arrangements was the high legitimacy that the newly elected governments usually have. A second reason might be indicated by the observation which argues that in developing countries governance, reform has been a frequent item on the political agenda, amongst other things, as a consequence of the pressure coming from international agencies (Maassen, 2003, p. 31). Our interviews with government officials confirm such influential factor. The interviewees declared that some of the governance arrangements especially those most strongly opposed have been suggested by experts sent by the Council of Europe. Furthermore, the Albanian policy makers did review some reform initiatives that have happened in some countries of the Western Europe, which helped to verify the relevancy of the new governance arrangements planned.

We agree with Bleiklie's observation that there are two ways of looking at a higher education reform: a) clearly distinguishable attempts to achieve specific goals, or b) processes being part of broader social and political processes of change (Bleiklie et al., 2000). In this point, we are interested to know what factors did lead the policy making process? What were the attitudes and the approaches which characterized the process, and therefore, the outcome?

Bleiklie et al., (2000, p. 125) explains that if rational action is the driving force of the policy process, we assume that the policy design is the result of the actors taking place in the process. The outcome depends on the positions they hold, the resources they control, the conditions they make, and the bargains they are able to strike.

He continues by arguing that two kinds of regime change may explain policy design: first, the constellation of actors and thereby the policy preferences of those actors who make up a policy regime; or hegemonic values and normative conceptions that are shared by all (or at least the dominant coalition of) actors in question. Actor-preference-driven design process and value-structure-driven design process are not mutually exclusive (Bleiklie et al., 2000, p. 126). All the above explain clearly the underlining approaches and factors that influence the policy making process. Furthermore, we believe that the last assumption which argues that both perspectives may not be mutual exclusive is also true in our policy making process context.

The new higher education law represents many shifts compared to the former one. Significant changes were introduced in regard to the degrees structure, study cycles, student evaluation, and credit system, all as a sign of commitment to the Bologna Process. These changes have been accepted by the university community without any significant critics. The same occurred regarding the university financial autonomy improvement or the extension of the democratic mode. Strong tension and debates have accompanied other issues especially those discussed in the first part of this chapter. In such case, the disagreement was strong and the parties went back and forth between attempts to clarify each other and attempts to weaken the opposition. The two main actors assembled power and resources available, and as a result their preferences and their ability to secure alliances (in this case the political opposition and the media) determined the fate of those policy intentions that were perceived as radical or not coherent with the Albanian higher education values. Therefore, we can say that we find both approaches that of actor preference

and norm oriented present in the last higher education policy making process which occurred during the 2006-2007 period.

### ***Conclusion***

The 2006-2007 policy process with regard to higher education was accompanied by an improved participation of actors into the policy arena, but on the other hand, such open participation generated intensive conflicts. The main reason for conflict was the government proposal with regard to new internal governance arrangements in the higher education institutions. After a long disagreement, the government and the HEIs leadership reached an agreement. Such agreement damaged the original governance proposals. However, in 2007 the Parliament approved a new higher education law. The upcoming chapter will analyze the current policy intentions with regard to issues like governance, management and autonomy.

## **Chapter 6: Albanian Higher Education Reform, the Analysis of Policy Intentions**

### ***Introduction***

Governments are responsible for the regulatory frameworks according which HEI should function. Thus, any discussion on institutional management structural change should consider such regulatory frameworks (Maassen in Amaral et al., 2003). As we considered the above advice, we analyzed the main legal documents which define and regulate the Albanian higher education system. The main purposes of such analyze is to identify the new government arrangements that the current policy introduced, the intentions behind these arrangements, the degree of institutional autonomy encouraged from the law and future plans for further changes stated in the higher education strategy of 2008-2013. As we made it clear in the analytical framework chapter, we will use as an analytical tool for these documents analysis, the suggestion found in one of the OECD reports of 2003 which describes eight autonomy components. In few words, the report suggests that autonomous universities shall:

- Own their buildings and equipments
- Borrow funds
- Spend budgets to achieve their objectives
- Set academic structure, courses, content
- Employ and dismiss staff
- Set salaries
- Decide size of student enrolment
- Decide level of tuition fees (OECD, 2003).

Moreover, we will make use of concepts like substantive and procedural autonomy which have been described earlier in the second chapter of this thesis. Additionally, we have added some other issues to the formal analytical tool, which may be seen as derivations from the eight autonomy dimensions presented above. These issues are as follow:

- Student enrolment process
- Collegiality and academic power
- Executive leadership

- Institutional policy strategy
- Accountability and audits
- Internal quality assurance
- Personnel size and distribution
- Work conditions and employment contracts

As we have explained in the former chapters, we will analyze documents like: the 2007 higher education law, the higher education strategy of 2008-2013, and some directives issued by the Albanian government.

### ***Albanian public universities formal autonomy degree***

In the Dutch case, many university boundaries are traditionally set by the state. The national law on higher education stipulates that all universities have three main functions: teaching, research, and community service (De Boer et al., 2007). We believe that the above observation reflects our study case, too. In the very introduction of the Albanian law, it is stated that the law intends to define the mission and the main objectives of the Albanian higher education system. Additionally, it is stated that the law aims to regulate issues like HEI establishment, organization, direction, administration, finances, and quality assurance. We find it obvious that the above expresses the intention to establish legal boundaries within which higher education institutions should act. More concretely, the law defines missions which the system should aim. Some of the higher education missions emphasized in the legal text seem to be: to create, transmit, and develop knowledge via the teaching and the scientific research, to prepare high skilled professionals and future scientists, to support the national and regional economical development, and advance the democratic-civilization values in the Albanian society. We believe that such missions represent the macro boundaries of the system. Missions like: the support of the economical development or the advancement of core society values seem to broaden the HEI field of action. We argue that the two first missions illustrate the institutional approach which fortifies the classical role of the HEIs which is often recognized as the Humboldtian University. Alternatively, the last two missions seem to fit better to the instrumental approach which considers the university as an instrument for the outside interests' fulfillment. However, the law sustains that higher education institutions have autonomy which is believed to be expressed

through: the principal of self-governance, the organization of the internal institutional structure, the design of the institutional statute and regulations which, however, must be based on the higher education law, the right to introduce criteria regarding student enrolment, the right to design and elaborate study programs, and the right to secure revenues which might come from other sources than the traditional ones. As it may be obvious, the above rights seem to offer and guarantee a significant degree of autonomy for the HEIs. However, we will show in the following analysis that this issue is more complicated than it seems. We will now analyze one by one the autonomy ingredients announced at the beginning of this chapter.

***Set academic structure, courses, content-*** The law mentions three modes of study: full time studies, part-time studies, and distance learning studies. If a HEI intends to apply one or more of the above modes of study, an official approval from the Ministry of Education and Science is required. The establishment or the termination of a study program in a public university must be approved by the Council of Ministers. The same goes for the establishment of a new faculty or university. The Ministry of Education and Science, before proposing the new study programs to the government, ask for a preliminary evaluation of the new study program from the Higher Education Accreditation Council. The above sounds similar to the Norwegian case, in which the Ministry kept the right to the final decision concerning establishment of faculties, degrees, and study tracks (Bleiklie et al., 2000). However, the above procedure seems to introduce too many steps in order to establish new academic structures or study programs. This might discourage or prevent entrepreneur academics to design and practice innovative academic structures or study tracks. Since the government finances public universities, the above procedures provide the government with an instrument to control possible study programs' overlap, and make sure that the new degrees be compatible with government policies or regional needs.

***Decide size of student enrolment-*** The student enrolment size, regarding all the study cycles, is approved by the Council of Ministers. The Ministry of Education and Science proposes the number to the Council of Ministers after taking the opinion of the HEIs and the Council for Higher Education and Science. As a consequence, universities cannot control the size of the student body, and this has implications regarding the stability of the university activities. Furthermore, there have been several cases in which university leaders did complain with regard to the enrolment size approved by the government which happened to be bigger than the one university could accommodate normally. However, the power to control the student input



quantity that enters to the system seems to be a significant strategic instrument. Thus, the government has the capacity to adapt student enrolments quantity to employment policies. Governments can stimulate higher enrolment rates in those degrees which are more relevant to the country economy structure and dynamics.

***Student enrolment process-*** The primary instrument that determines the university enrolment process is the national exam which is organized in the end of the high school studies. The process is managed by the Ministry of Education and Science via a public agency. The HEIs have the right to introduce the coefficients which give a specific weight to each exam subject. The law clarifies that the general enrolment criteria and the enrolment procedures must be managed and approved from the Ministry of Education and Science, while the public higher education institutions have the right to introduce particular enrolment criteria. The above legal provisions together with the provisions concerning the tuition fees seem quite similar to the following observation: the state also centrally regulates student access to a large extent. Tuition fees and entry qualifications are still set by the state. Dutch universities can not fully define their own boundaries (De Boer et al., 2007). We believe that this argument supports our assumption that a number of legal components found in the Albanian higher education system seem similar with those found in some of European countries.

***Employ and dismiss staff-*** The process of hiring and firing, for both academic and administrative personnel, is controlled by the university. The law dictates that the general employment criteria should be described in the university statute. The university is expected to organize a selection process based on transparent procedures. The successful candidate must sign a contract with the university rector. The contract should be based on the Albanian Work Code. However, the HEI personnel size is determined by the Minister of Education and Science, while the personnel structure shall be approved by the university rector. We observed that the rector authority to decide with regard to the personnel structure and its distribution across the institution levels does overlap with the same authority granted to the university Administrative Council. Our interviews indicate that this legal contradiction was still under discussion in the University of Tirana, although, the Rector exercised that authority in a de facto basis.

***Set salaries-*** University personnel salaries are determined by the Council of Ministers. The university employers are still considered civil servants, and thus, there is no much flexibility regarding the salary structure. The Rector, the person who hires academics and administrative

personnel, has little room to stimulate financially the best performers, although, no official performance framework is established.

***Borrow funds-*** Such issue is not mention in the law, however, one of the interviews with a faculty dean indicates that universities are not yet allowed to apply for loans, although, the respondent who used to be a rector confirmed the capacity of some universities to handle loans. We believe that in this case, the law cannot standardize the right of public universities to apply for loans since not all the universities have the same capacity to secure funds, and not all of them have developed capacities to invest strategically. Such circumstances make the loan option very risky for several public universities. Perhaps this is the reason why the government and parliament's attitude toward the option of loans is quite conservative and discreet. However, it seems that for those public universities, like the University of Tirana or the University of Polytechnic, which generate significant revenues and have better planning and management capacities, the restriction to borrow funds hinders both their substantive and procedural autonomy.

***Spend budgets to achieve their objectives-*** This is a complicated issue, however, the law asserts that the Albanian public higher education institutions operate according to the financial autonomy principals. The revenues which are secured by the university shall be managed by the university itself. The state financial support is divided in two categories: the unconditional grant and the competition grant. The first grant covers the most indispensable costs which secure stability over the university activities. The second grant is distributed based on projects submitted by universities, and it covers big investments. Additionally, the law clarifies that the amount originating from the state budget should be used according to the public financial management rules. All the financial transactions must be done through the state treasury based on financial control rules. The university has the duty to submit an annual financial support to the Ministry of Finances and the Ministry of Education and Science. The government and the public opinion have the right to expect transparency concerning the manner the funds have been used. It seems that the public HEI financial management activity is a target of many state financial regulations which perhaps minimize the procedural autonomy. This means that universities are quite free to determine the budget targets, but we can say the same when it comes to the way how this budget should be managed or used. Consequently, universities should adapt several financial and purchase procedures to those applied from the rest of public institutions in

the country. We assume that the government understands the specificity of the circumstances in higher education, but on the other hand, higher education funds are part of the state budget, and thus, the same financial rules applying to the state budgeted management should apply to universities. Additionally, we believe that these financial management rules represent the condition for a greater university financial autonomy.

***Own their buildings and equipments-*** The universities are the users of the buildings on behalf of the state. Thus, they do not have the ownership upon buildings, while they seem to own the equipments. However, in order to provide a better property management, the 2007 law introduced the university administrative council.

***Decide the level of tuition fees-*** The 2007 law suggests two main fees: the study fee and the registration fee. The study fee is determined by the Council of Ministers. The Ministry of Education and Science proposes the tariffs to the Council of Ministers after consultations made with the Rectors Conference and the Council for Higher Education and Science. The registration fee decision seems to be more decentralized as it is the duty of the Ministry of Education and Science. However, it is obvious that the HEIs do not have any important role in determining the study prices. We don't know exactly whether the right of the university to propose fees has any significant impact toward the decision making process. Additionally, interviews show that the HEIs influence, regarding the process of fees setting, is unlikely as rectors and deans were unsatisfied with the actual fees (which are very low), and furthermore, they were not able to change such situation. It seems that the government needs to control the fees level in order to control the access in higher education. According to the literature review, there are many governments which believe that tuition fees level is an independent variable toward the degree of access in higher education. Another reason we can think about, is the belief that if the government control the level of tuition fees, than it can use it as a policy to encourage the access in those study tracks which are not popular, but are important for the economy or the culture of the country.

***Accountability and audits-*** The law clarifies that the financial administration rules which applies to universities are the same as in all public institutions and agencies in the country. We have noticed two types of auditing: the external audit that is conducted by the State Audit Agency which may hire private specialized companies in order to exercise a better control, and the internal audit which is exercised by the Ministry of Education and Science via its specialized

audit unit. The internal audit should be organized at least every year. The results of the audits processes are expected to be widely accessed. The Ministry of Education and Science has also the task to conduct at least every three years a check regarding the legality of the higher education institutions activities. Perhaps it is necessary to explain that there is another accountability instrument within the university, which considers the rector and the Rctorate accountable to the university Senate and the university Administration Council. Since the government has its representatives in the AC, this makes this body an instrument for enhancing the external accountability. We will discuss this in greater detail in the next chapter. However, we assume that the existence of all these detailed audits and checking processes show the low trust that exists from the side of the government. If such distrust is justified or not, is something that goes beyond this thesis. However, the data collected by the interviews with governmental officials, confirm a high level of distrust from the side of the government. As the trust degree is low and the government has still limited capacities to perform ex post controls, it still relies largely on an ex ante approach, which is illustrated by the government comprehensive legal competences. The government reps made it clear that some of the new arrangements introduced by the current law, were planed to control (in a positive way) the power of the university leadership. Anyway, in order to clarify the importance that audits have in Albania, perhaps it is enough to say that corruption in my country remains a big concern.

***Internal quality assurance-*** Quality assurance seems to be considered a key objective. The law explains that the Ministry of Education and Science is the primary institution responsible for quality assurance and implementation of the European quality standards. This responsibility seems similar to the one observed in the Netherlands, in which the government proclaimed responsibility toward: the quality of teaching and research. Thus, institutions had to ensure that their quality of teaching and research should be up to the standards (De Boer & Goedegebuure, 2007). As in many European countries (as a consequence of the Bologna Process), the law expresses two types of quality assurance dimensions: the external and internal quality assurance. The external evaluation is conducted from the Albanian Higher Education Accreditation Agency (HEAA) or any other agency which is a member of ENQA (European Network of the Quality Assurance Agencies). HEAA is partly independent from the government since the final decision regarding the accreditation of a study program, or a whole university, shall be taken by the Ministry of Education and Science. HEAA must have a balanced membership, representing the

HEIs, the Ministry of Education and Science, experts, the Council of HE and Science, and students. The HEAA chair is appointed from the Prime Minister. Furthermore, HEAA is expected to help the universities to establish their internal quality assurance units, which are supposed to be operationally autonomous from the rest of the university bodies. The quality assurance unit has the task to exercise periodical evaluation concerning: teaching, research, finances, management and administration, university infrastructure, facilities, and so forth. An external expert is expected to be associated to the university quality assurance unit. However, we may say that the quality assurance culture is not yet an integral part of the higher education system in Albania. We believe that as quality assurance capacities improve and universities become more transparent to the outside world, the quality assurance will become a steering instrument in the system. Government might use it as a new soft steering instrument which, if linked to the funding scheme, may become one of the most powerful steering instruments within the system.

***Academic titles award-*** The law explains that the academic titles are issued by those higher education institutions listed in the Council of Ministers' directive. There are several public universities in Albania which do not have the capacity to establish PhD programs, and as a result are not eligible to issue academic titles above the MA. Moreover, the criteria and procedures which will be used in order to award an academic title are described by the same Council of Ministers directive. Such engagement of the government in a highly academic matter might seem to suggest an attitude rooted in a sovereign state approach. However, we think that the role of the government in defining the criteria for the academic titles awarding process is perhaps justified by the fact that research intensive activity, publications in international journals, and the evaluation of academics performance based on research output, are still not a tradition in Albania. Local professional norms, regarding academic titles award, seem to not fulfill the international standards. Disciplinary professional associations do not exist, or in the cases they exist, are quite passive and underdeveloped, so they cannot guarantee the necessary standardization of the award criteria. Consequently, in the past, many individuals received academic titles based on quite soft or inappropriate criteria which damaged seriously the quality of the Albanian academic community and the awarding process in itself. Therefore, the involvement of the government in such matter seems to provide a positive contribution for the process. Perhaps in the future, when the scientific research dimension of the university will

become an important component, the professional groups and norms may be capable to establish their won academic reward criteria and procedures.

### ***New governance arrangements***

Based on the documents analysis, we assume that some of the governance arrangements look similar to arrangements introduced in Norway, Sweden, Netherlands, France and Austria. Thus, we will try to illustrate such association through examples.

We have realized that there are several new governance arrangements being introduced by the 2007 higher education law.

***The Rectorate-*** One of them is the Rectorate which is a collegial executive body composed by the rector, the vice rectors, the university chancellor, and the faculties' deans. This means that the key leadership figures of the university are gathered in an exclusive body, probably with the intention to secure a better coordination regarding information, priorities, decisions, implementation, and supervision.

The main responsibilities of the Rectorate are: the drafting of the long term university development plan, it prepares the annual activities plan, it monitors the application of the plan after the Senate approval, it guarantees the implantation of the Senate and Administrative Council decisions, it prepares the criteria concerning the allocation of the budget and human resources, and finally, it decides among competitive financial needs submitted by faculties or basic units. The above tasks and others which were not mentioned here indicate a strong executive nature of the Rectorate. This body is expected to filter and put in order the interests and needs reflected by the lower levels of the organization. Additionally, the Rectorate is supposed to submit important proposals to the Administrative Council and the Senate.

Furthermore, this body has the task to guarantee and monitor the implementation of decisions made by the upper level of the organization. Finally, the Rectorate must submit reports to the "legislative" bodies, namely the Administration Council and the Senate. We believe that the Rectorate has a strategic position within the organization since it has dynamic access to information, and has the capacity to process and interpret such information via the university administration. Moreover, the above capacity, combined with the fact that the main leaders of the

university are part of the Rectorate, makes it easier for this body to influence the university Senate which is the main decision making body in the organization.

The introduction of the Rectorate, apart other reasons, seems to fulfill the intention which aims a stronger integration within the university. The old nature of the public university was dominated by the loosely coupled approach which hindered the university from the possibility to act as a single body based on common priorities. Additionally, the old mode was characterized by a strong detachment between faculties and the institutional level, while a collegial executive body was missing. The connection between the university parts used to be possible via the large and slow Senate which could not perform the ever growing diversity of tasks. A similar arrangement can be traced in the Netherlands, where the “management team”, at both central and faculty level, is considered a device that allows more co-ordination and management control in Dutch universities. At the central level, these teams are made up of the members of the central executive board and the deans, and carry the task to “pre-cook” the university’s main decisions (Deboer et al., 2007). Another interesting fact is the possibility that our Rectorate represents the phenomenon of legalizing what was already happening in the organization. In one of the interviews with a former rector, he argued that in his university the Rectorate existed on an informal base before the new law was signed. This seems to illustrate the idea that some universities felt the need for a collegial executive body before the law addressed it. However, the 2007 law, besides legalizing the existence of the Rectorate, provided a standardization of tasks and responsibilities which guarantee a legal existence and role for the Rectorate.

***The Rector-*** The law indicates that the rector should be the chairman of the Rectorate and the university Senate. So the rector becomes a crucial position since he is the main coordinator of both the executive and “legislative” body. However, the law describes few direct competences of the rector, although, we assume that the rector power is reinforced indirectly via the power carried by the Rectorate and the Senate. We assume that the intention of the policy makers was to strengthen the executive leadership capacity for action without transferring too much power to the rector, but instead, giving it to the collegial executive body discussed earlier. In this point, we feel the need to clarify that in the present political culture in Albania the notion of the chairman is closer to the notion of strong leadership than to the notion of a coordinator or a moderator. The same seems to be true in the higher education context.

According to the interviews with government officials and faculty representatives, the concern regarding the strong de facto role that the rector might obtain was addressed. Furthermore the faculty representatives indicated that some rectors were behaving as omnipotent leaders during the rectorate meetings. Thus, we can assume that although the law does not provide a particular strong role to the rectors, they are able to absorb the power granted to the rectorate, therefore, becoming more powerful than it was planned from the policy makers. We believe that our assumption can be related to the observation offered by Ferlie et al., (2008) work which argues that in terms of the distribution of power, there is a strong skepticism about transferring too much power to senior leaders, and a demand for traditional forms of democratic accountability (including elections of Rectors). The above observation is also supported by the fact that the law seems to advance the democratic elections mechanism. This might seem a little bit contradictory, since according to the white paper, the government intended to abolish the election system.

However, in our opinion, the extension of the democratic ideal via the direct participation of academics, students, and administrative staff in the election of rectors and deans is a coherent move from the part of the government. The government could not manage to introduce the university Governing Board which was supposed to appoint the rectors. Since the government could not have any say in the election process, it decided to abolish the Senate's right to elect the Rector by transferring this power directly to the university community. Therefore, the election of deans and rectors were transformed from an elitist process into a massive election process.

We will discuss it further in the next chapter, but we need to repeat here that government officials and faculty reps interviewed did state that the rector's role is crucial with regard to the well-functioning of the organization, on the other hand, all of them were concerned about the immense power he could provide to himself informally. As one university statute points out, the rector, who is the university top leader, gains new competencies besides those mentioned in the law. Furthermore, the senate agreed to provide the rector with the veto power, meaning that the rector might veto the university senate decision if the decision is considered inappropriate. It seems that the direct election of the rectors and faculty deans has strengthened their legitimacy which, in turn, does not come from the university senate as used to be. This strong "political" leadership indicates that the formal executive power foreseen by the law will be operational in the ground, although, perhaps not via the body (the Rectorate) planned by the policy makers.



*The Administrative Council-* A third governance provision, introduced by the recent law, was the establishment of intermediate body within the university. This body was originally planned to be a Governing Board which would have inherited many of the university senate competences and several competences exercised by the government. However, this plan failed, while the government still needed to accomplish its concerns regarding university accountability, modern management, and the injection of society interest inside the institution. Thus, the new body should have been perceived less dangerous to academic collegiality and norms than the Governing Board. This prerequisite gave life to the Administrative Council, which was intended to become part of the university governing structure. In our opinion, this body seems to combine the need for more accountability, modern management, and the opening of the university to wider interests, since 49% of its members came from outside the university.

According to the law, the Administrative Council has important competences regarding the university budget design and allocation. It approves the administrative staff composition and size, monitors the efficiency of budget application, monitors the efficiency of the administrative staff activity, approves the university annual financial report, and so forth. We believe that the Administrative Council tasks, for both monitoring university administration performance and approving the administrative staff composition, represent a significant premise toward a university administration reform. It is interesting to emphasize that the Administrative Council shall fulfill these responsibilities in a co-decision process with the University Senate. Thus, the coordination between these bodies becomes quite important, with regards to a stable and dynamic development of the university. Again, it seems that the rector gains a significant role in such coordination.

However, the inclusion of the external university members via the Administrative Council is an interesting development and quite alternative, compared to the traditional framework. Additionally, we assume that the existence of the external members in the Administrative Council, who are appointed by the Ministry of Education and Science, will facilitate the extension of the university autonomy. We strongly believe that the Administrative Council represents a premise toward a greater financial autonomy. We believe that in this new framework, governments will trust universities more than before, although, it might seem a bit ironic since, according to Deem et al., (2007), the introduction of the Administrative Council

illustrates the institutionalization of the government distrust. Additionally, we have learned by the interviews with government officials that the Administrative Council is planned as a transition instrument toward the Governing Board. The introduction of governance arrangements as the Administrative Council seems not to be an exclusive Albanian invention as it is illustrated by Ferlie et al., (2008) work, which observes that another category of new instruments refer to the establishment of intermediate bodies in charge of new missions, or of existing ones previously achieved by public authorities.

***The National Intermediate Body***- Another buffering body, reinforced by the 2007 law, is the Council for Higher Education and Science. This is the only national body which is positioned between the HEIs and the Ministry of Education and Science. The law considers the Council as an exclusive adviser of the Albanian government regarding higher education matters. According to the law, the Council carries tasks like: it proposes national strategies regarding the sector; it suggests the scientific research programs (programs which are supposed to fund research based on competitive projects); it proposes the national budget for the higher education and its distribution methodology; it gives advice regarding the standards that will be used for the accreditation of study programs or HEIs; it gives its opinion regarding the tuition fees level, and lastly, it proposes the criteria based on which the HEIs will award academic titles. The Council is dominated mainly by distinguished academics. Thus, this body has a strong academic dimension. However, this body is supposed to help the government action in improving the quality of the higher education in the country.

Such provision seems to be similar to the Higher Education Funding Council in England which used to be dominated by the academic oligarchy. It seems that policy makers intended to fill the gap which used to exist between the government and higher education institutions. We believe that the introduction of this intermediate body in the system represents an attempt to change the classical coordination framework in higher education. We have discussed it earlier that the former higher education system governance was dominated partly by the government and partly by the academic oligarchy. As a consequence, the coordination mode was sharply divided in two sides, a fact that hindered the normal flow of higher education policies into the targeted environment. Furthermore, the Ministry of Education, which is still the main actor in drafting policies, did not have full expertise on higher education issues. Thus, the introduction of the

Council for Higher Education and Science, on one hand, guarantees a better coordination between different system layers, and on the other hand, it provides a more qualified and contextual knowledge to the government in order to design better policies.

*The Chancellor-* The 2007 law has reinforced the position of both university and faculty chancellor. Perhaps it is appropriate to emphasize the fact that the university chancellor is a similar position as the university director in Norway. This authority covers matters relating to finances, administration, and the legality of university activities. The former law emphasized the subordination of the chancellor to the rector, while differently enough, the actual law grants more sovereignty to the chancellor. Thus, the chancellor-rector relationship is expected to be based on a partnership approach. Additionally, according to the law, the university chancellor is not appointed from the rector as it used to be, but instead, it is the university Administrative Council which has this power. This might be interpreted as an attempt to detach the chancellor from the rector hegemony. However, this intention has proved to be difficult since the majority of the Administrative Council members come from within the university, and thus, they usually are under the rector's influence. What makes the process even more difficult is the fact that the Administrative Council has not built yet a certain identity which would have contributed to its independence from the rest of the university "powers". As it is expressed in the law, the chancellor is expected to direct the administrative and financial activities of the institution, to guarantee the execution of the university budget, and to monitor the legality of the activities organized within the university. Additionally, the chancellor is a member of the rectorate which, as we described earlier, is the main collegial executive body in the university. In few words, it seems that the university chancellor is partly an administrator and partly a manager. What we mean is that the chancellor position reflects, on one hand, the responsibility toward outcome achievement and the monitoring of institutional effectiveness and efficiency in the distribution of resources, while on the other hand, it ensures the implementation of procedures. Furthermore, the new state budget funding scheme puts chancellors in a new position which must fulfill more dynamic and sophisticated tasks. According to the interviews with government reps, we learned that the government was expecting a new behavior from the university chancellors. They are not expected to be passive accountants, but instead, active managers able to understand the dynamics of the external environment. We believe that the new nature of university chancellor role, the

introduction of the Administrative Council, the new funding scheme, and the extension of the university autonomy, will stimulate internal administration reforms. It will come the time when university leadership and academics will realize that the university administration old style structure and processes cannot handle new responsibilities derived as a result of the increased autonomy.

### ***Ending remarks***

Another important matter when it comes to governance reforms in higher education is the type and the degree of the authority hierarchy observed in HEIs. According to De Boers et al., (2007), hierarchy is indicated by central coordination and control, explicit allocation of responsibility, and the construction of control-oriented management.

Based on our 2007 law analysis, we did not distinguish a clear line of authority among the rector, faculty deans, and heads of departments, although, the dean is elected from the faculty community and appointed afterwards by the rector, or the department head is elected from the department members and appointed later by the dean. However, we perceived a weak hierarchical relationship between different institutional level authorities. For example, the rector had the power to cancel a decision made by the dean if the decision was found to be against the higher education law. Nevertheless, it seems that the law does not encourage a clear hierarchical executive leadership structure. We assume that the hierarchical relationship is more expressed on de facto basis.

We have observed that the extension of the institutional autonomy has been balanced by the reinforcement of the accountability mechanisms. Thus, the law introduced for the first time an administrative Council which has 49% of the membership from outside the university and furthermore its tasks cover key issues like: finances, administration, and properties, toward which government has less control than before. Secondly, the reinforcement of the university chancellor role, who, according to the 2007 law, has more sovereignty than before, accomplishes more tasks and is not appointed from the rector anymore, but instead, from the Administrative Council and the Minister of Education and Science. Thirdly, the introduction of the competitive grant, according to which, universities should compete based on projects so to receive funds for

investments, increases the pressure for more accountability. Fourthly, it seems that the university should submit to the government more reports than before.

***The law prescription degree-*** How much prescriptive is the legal document? This is an important question since it intends to find out how much in details does the law describe contents and procedures. Many authors argue that the degree of the details in a legal document reviles the level of the universities autonomy and, as a consequence, the role the government has in coordinating the system. Generally speaking, we have noticed that the law is not significantly prescriptive in two occasions. First, in the case of traditional university structures and processes which seem to be considered as well established in terms of meaning and function. Second, when it comes to organizational structures of the lower system layers which make us believe that the subsidiarity principal is part of the law. We noticed more prescription in cases when a new body was introduced, or in the case of new arrangements, like study cycles and structure. We believe that in both of the cases, an expressed prescription is justified since new bodies should have clear competences, as the implementation process travels through an intensive interpretation environment. The new study cycles and structure seem to be based on the Bologna Process, and universities did not have enough experience with such new arrangements, thus, there was a need for clear guidelines. Based on the above, we believe that the 2007 higher education law is quite balanced. Meaning that, on one hand, it is prescriptive when necessary, while, on the other hand, it provides freedom to HEIs in order to detail further the content. However, the lack of detailed description increases the room for interpretation among different actors within the higher education system. For instance, several university statutes are not still in power since the ministry doesn't share the interpretation of the law found in that document. Universities tend to interpret and then elaborate the law principals according to their culture and interests, while the government in general, which in fact has drafted the law, interprets it differently. Thus, the room for interpretation and the possibility that such interpretations become the only interpretation via the statute has caused delays in finding an agreement. We learned by the interviews that the main reason why the university statutes were not approved was the inappropriate interpretation that universities did with regard to the new governance arrangements.

***The executive leadership contradiction-*** A further observation is a kind of contradiction we found in the law. On one hand, the law seems to reinforce the executive leadership, but on the other hand, it extends the democratic mechanism which determines the executive leadership. We consider this a contradiction, because the executive leadership, in our opinion, means authorities who are not strongly depending on the interests of the groups operating inside the organization, thus, having enough freedom and authority to foster common priorities and advance efficiency. If rectors and deans are elected by the university community, their leadership should reflect the balance of the community interests. Therefore, the organization gains a strong political dimension which encourages bargaining and coalitions, and, as a consequence, decisions reflect such process. In such an organization, the executive leadership cannot be developed properly. The leadership is transformed in a simple mirror which reflects mainly the organization internal community interests. Perhaps this is the reason why several higher education governance reforms in other European countries have abolished the election mechanism for the university leadership and replaced it with the appointment from a governing body which has a strong lay membership. Such arrangement weakens the political dependency that institution leadership used to have from the academic community. Usually, this organization is called Corporate Enterprise which, in our opinion, balances positively both the tendency for centralization and decentralization. However, according to the analysis made to the Albanian higher education law, some of the most essential characteristics of the Corporate Enterprise ideal seem to be either missing or vague.

***Vertical and horizontal accountability-*** In regard to the vertical and horizontal accountability, we observed that the vertical accountability is much more present in the law compared to the horizontal one. We noticed that all the lay members in the Administrative Council are appointed from the Ministry of Education and Science, and furthermore, all of them happened to be government officials. Secondly, the higher education institutions are obligated to submit official reports to the government. However, the 2007 law expects universities to be transparent with the general public, especially what regards to potential students. Thirdly, the law does not foresee any clear mechanism on how other stakeholders might participate in the university decision making process. The only horizontal participative accountability mechanism (if we consider students as stakeholders) is the representative decision making bodies, both in the institutional and faculty level, in which students are represented. Additionally, we can say that the diversity of

governance arrangements and decision making procedures seem to advance the hybrid outlook of the Albanian public university. At least de jure, the university seems to embrace characteristics like the democratic ideal, the meritocratic community of scholars, the instrumental approach, and the corporate enterprise perspective. Therefore, we can confirm that the analytical tool chosen earlier in the fifth chapter seems suitable to the Albanian formal governance framework.

***The national strategy-*** The national higher education strategy of 2008-2013 is another legal document which promotes the intentions and changes found in the 2007 law. The strategy announces that the changes addressed by the actual law will be intensified in the future. Some of the objectives presented in this document show that: Firstly, it is aimed a concentration of funds in the highest performing higher education institutions. This objective was not clearly stated, but we derive it mainly from other intentions. The strategy makes it clear that not all the public universities in the country have the capacity to conduct scientific research. The universities identified as capable to handle such activity are the universities located in the capital city. As a consequence, the funds which will support the research will be concentrated in those universities. Moreover, we mentioned earlier in this chapter that the new funding scheme foresees that part of the state financial support will be distributed according to the competition grant. Thus, the universities which have better capacities in designing and implementing investment projects are the one favored by the new distribution methodology. These universities are again the ones located in Tirana, the capital city. Secondly, the strategy aims a further empowerment of the rectorates and the introduction of a governance board with a majority from the external members; a move to appointed rather than elected senior posts; and a weakening of the academics power regarding financial, administration, and management matters. The strategy aims an institutional governing triangle, in which the Rectorate will be the management and executive body which will not deal with academic issues, the university Senate which will cover the academic issues, and the Governing Board (which is literally referred as the External Board) will represent the outside environment interests and will deal with macro issues.

Another interesting intention addressed, is the double condition which shall be fulfilled by HEIs in order to gain more autonomy, and thus, change the status from a state university to a public university. A functional accountability and modern management capacities are the requirements universities shall met in order to be more autonomous from the government. Interestingly

enough, the state university concept, mentioned in the strategy text, seems to reveal the strong role that the government has over the HEIs. On the other hand, the strategy recognizes the weak analytical capacities owned by the Ministry of Education and Science, a fact that might explain the significant power that academic oligarchy used to have. Additionally, the strategy admits the lack of effective instruments which are necessary to implement higher education policies. Therefore, the strategy expresses the need to refresh the actual agencies and add new ones in the future.

### ***Conclusion***

The current higher education law did advance the university autonomy with regard to finances and management. New governance arrangements are introduced with the purpose of modernizing the university management and creating conditions for action from the university upper level. Additionally, accountability mechanisms are developed and strengthened. The executive leadership is fostered. However, the legal document reflects a mixture of governance mechanisms which seem to contradict each other. Anyway, the two last chapters will show if and how the policy makers intentions have become part of the university practice.



## **Chapter 7: Practicing governance reforms in the Albanian higher education**

### ***Introduction***

In the following we will describe the opinions and attitudes gathered through the interviews. This analysis is based on empirical data provided by 13 interviews in total conducted in three public universities in Tirana. The interviews covered the opinions of three government officials as well. These interviews were organized during January and February 2009. The Interviews tried to address issues like:

- New governance arrangements implementation;
- How did the arrangements work in practice?
- Was there any difficulty in accommodating such arrangements?
- Was there any difficulty in interpreting duties and tasks?
- Was there any tension between university bodies?
- Was there any tension inside the Administrative Council?
- Hierarchy and internal devolution, and so forth. The upcoming sections will present a summary of the data.

### ***Legal References and Law intentions***

According to one of the government representatives interviewed, the primary goal of the new law was to advance the integration of the Albanian higher education system into the European Higher Education Area. The respondent confirmed that policy makers have consulted a number of European countries legal documents in the field of higher education. Another government official argues that, according to the law philosophy, it is the department which manages the academic staff recruitment process. But she notices that the recruitment procedures are not standard, different universities place the power in different institutional levels. One of the faculty deans, who was quite critical toward the governmental role, assumed that the actual law was based on a wrong prejudice, which suggested that the rectors, dean and department heads possessed an absolute power. Thus, the law aimed to take away the power from the individual and transfer it to the collegial bodies.

### ***Autonomy, Accountability and Government intervention***

According to a government representative, the policy makers aimed a law which would have guaranteed extended autonomy for the public universities. But this autonomy was planned to be balanced by the accountability, thus the law foresees several collegial bodies which have distinguished roles and tasks so that the academic staff and students participate in the decision making process. Additionally, according to another government official, the Albanian universities have a wide autonomy. Moreover, they have greater autonomy compared to some western European countries regarding the personnel recruitment process. The most essential lack of autonomy regards the financial autonomy, which was improved in the 2007 law. However, one university rector expressed the concern that to him it is essential that universities be respected and trusted by the government. This seems to not always be the case. During the interview, one AC chair emphasized the fact that often the government representatives in the AC try to extend the government power territory within our university. However, the internal members have the majority. Thus sometimes, they use the voting mechanism in order to stop them.

Additionally, a faculty dean stated that he noticed an increased intervention from the part of the government in academic matters. We have recently received a directive from the Ministry which decides the number of subjects a student should be enrolled in a year, and which causes us difficulties. He continued by saying that he was convinced that the university autonomy means more responsibility. In issues like finances and administration, the government should allow universities to perform without significant restrictions, and then the government may control ex post facto the way in which universities have used the budget.

Another faculty dean, who resulted to be very critical regarding the government behavior, noted a sharp government control over the universities. He stated that: *“the government decides about tuition fees, the quantity of students that will enter into the system, while the AC has 49% of the membership appointed from the government, and many decisions must be taken by a majority of 2/3 of the membership. Moreover, the university personnel size is determined by the government. Such arrangements go against the idea of autonomy and academic freedom. The university is unable to determine its own personnel policy. For instance, we cannot invite foreign*

*colleagues to teach in our classrooms. The legal relation between the university and the government is not based on the principal of the partnership, but on the contrary, it is very hierarchical. The university is aggressively controlled by the government, thus diminishing the capacity for autonomy. I will support the introduction of a university board, only if this body will not have the authority to oversee the work of other bodies, but instead, to express the concerns of the society or government”.*

### ***Substantive and procedural autonomy***

A rector clarified that he considered the substantive and procedural autonomy very connected to each other. For instance, according to the academic freedom which is guaranteed by the constitution and the actual higher education law, a professor is free to express his views in a text book or in a course, but on the other hand, the lack of literature or facilities in general impede him from the fulfillment of the academic freedom. Thus, he believed that the extension of the procedural autonomy increases the university ability to extend the substantive autonomy. He continued by saying that *“our university uses a decentralized method in managing the budget, and, as a consequence, the decisions are taken quickly. We should incorporate the way how private companies do make decisions. However, state procuring procedures slow down the speed to purchase goods and services. Thus, I think that universities should be more autonomous from such standard procedures”.*

This interviewee judged that some of the directives issued by the ministry were problematic. He thought that the Ministry of Education and Science seems to still consider universities as government institutions rooted in a framework of hierarchy. Indeed, some of the directives have been very detailed. He said that, sometimes, the ministry exceeds its competences and behaves as it was the universities’ owner. He desired clear and distinguished positions between the ministry and the university. He added that *“I think it will be better if the ministry consults the universities before issuing a directive, and, as a result, I believe that the directive will be more likely to be implemented. We have the appropriate capacities to judge the utility and applicability of government directives”.*

During the interviewing process, one of the Ministry of Education and Science officials stated that she was confident to confirm that the substantive autonomy was almost fulfilled. According to her, the Ministry of Education and Science designs the framework within which universities should act. The law defined only general objectives. Indeed, there may be universities which do not like the idea that study programs should be approved by the government, but if it was not so, it would have been a chaos. Moreover, the universities do not have yet a public status, thus they are not responsible enough when planning a new study program. With regard to the procedural autonomy, she said that the ministry issued decrees based on the higher education law, and then it is the university which implements it. *“For instance, one of the directives defines the professor’s workload in macro terms (activities that can be considered as part of the workload and how much time a professor should spend for each category), while it is the university and its units which detail this workload”*.

In respect to the debate, regarding substantive and procedural autonomy, another university rector argued that it would have been better if universities were allowed to use freely their own revenues. *“For instance, we need to invite foreign professors in order to improve the quality of our master and doctoral programs, but this is quite difficult since universities have financial management restrictions”* Moreover, he thought that the rector should be allowed to use part of the university revenues to reward the best university employees. He was satisfied with the teaching autonomy degree, although he noticed that some directives tend to control the teaching process. He added that *“I agree with the government’s desire to have a certain degree of control as this is our society development phase. I am optimist that we are moving in the right direction, and that in the future, the university autonomy will be complete”*.

In addition, one of the university chancellors pointed out the concern that, on one hand, there are intentions to reinforce the university financial autonomy, but on the other hand, the government issued directives and decrees which hinder such autonomy. He argued that universities were forced to purchase goods and services through the Ministry of Internal Affairs. He said that universities should be allowed to organize the purchasing process based on laws’ requirements. He believed that academic and financial autonomy are interconnected.

Another university chancellor distinguished two moments with regard to the two types of autonomy: the first had to do with the design of the budget, while the second dealt with the implementation of the university budget. He stated that *“I have noticed that we have some barriers regarding the process of budget spending. The purchasing process, which is the main instrument in order to implement the budget, is based on a law and some directives issued by the Ministry of Finances. I think that it will have been appropriate if universities will be free from the standard purchasing procedures which do not respond to the university context. However, I think that the university’s freedom to decide and manage its finances is much more significant than in the past”*.

### ***Financial autonomy and the new funding scheme***

According to a government official, the universities are free to manage their own budget without the intervention of the Ministry of Education and Science. Universities budgets are allocated and expected to be used based on a formula which was designed with a foreign assistance. She said that *“from now on, universities have a big responsibility”*.

In addition, another government official confirmed that the 2009 will be the year in which universities will receive an unconditional grant which will be managed based on a transparent formula. Universities will decide for the first time with regard to the employee size, but under the condition that all the indispensable activities receive appropriate financial support. A second innovation mentioned was the fact that universities will be entitled to apply for a competition grant. For the first time, universities are expected to compete with each other in order to receive financial support concerning big investments. Thus, he stated that universities should have a good management and administration performance in order to be able to design a persuasive project and be capable to implement it. Such process will reveal universities competitive capacities.

One of the rectors considered the grant approach as a progress, but he emphasized that the university employee size decision making remained still centralized. According to him, it was the minister who decides upon it. Such statement contradicts what was confirmed by one of the government officials. However, the rector argues that, according to the experience, the grant

covers part of the salaries. He noted that there was no compatibility between the grant academic staff salary item and the actual workload. Nevertheless, university managed to cover the gap through its own revenues, but there are still difficulties since the tuition fees are quite low. He said that *“the government tries to support its social policy via low tuition fees. Low tuition fees cannot secure a good teaching quality”*.

A third governmental official told us that the Ministry of Education issued a directive which advised universities how to use the new funding formula. The directive suggested that universities should devolve financial management to the smallest unit possible.

The interviews counted several positive comments with regard to the new funding formula. However, one of the university rectors was concerned whether the funding formula enables the university to devolve the financial management at its lower levels. He assumed that the official formula was not capable to preserve its main characteristics as it traveled in the lowest levels of the university. Additionally, he was not convinced whether the new funding scheme took in consideration essential particularities which characterize different faculties. He added: *“for instance, more money is needed to publish an article in engineer sciences than in social sciences fields”*. However, he thought that tuition fees should be increased in order to establish a price balance between public and private sector.

A related concern was expressed by a chancellor working in the same university as the above rector. He emphasized the fact that in his university the financial autonomy has involved the salary budget item as well, which is an indicator that suggests that universities have more freedom than before. Nevertheless, his concern was the way how the budget will be distributed. He said that: *“the new financial scheme seems to not take into account specificities that different faculties or departments represent. For instance, there are some faculties in which a professor can teach a small group of students (in this case the teaching cost per student is high), while in some other faculties, it is possible to organize massive lectures. The same might be true when it comes to the fact that the instruction in engineer or medicine fields is more costly than in fields like human sciences. If the budget distribution formula relies too much on student number, then, some faculties will be less financed than others, although their costs per student might be higher”*. Thus, he considered that the funding formula was more appropriate with regard to the

university level than to lower levels, like faculties or departments. However, he thought that the new formula is based on modern indicators, and furthermore, it stimulates financial requests based on sustainable arguments.

Another university chancellor considered the new financial scheme to be quite advanced. According to him, universities have more freedom to determine their financial priorities. The university is expected to design a three years budget which shall reflect the mid term institutional strategy. As a result, the annual budget should be in coherence with the mid term budget. He said that: *“additionally, the midterm budget forces us to secure more coherence and continuity among the annual budgets. Furthermore, the new financial scheme encourages us to spend the entire budget within its financial year because if we inherit part of the budget in the next financial year, the government considers that amount as revenue, and, as a result, we will receive less money compared to the former year”*. He argued that the university did not fully experienced the effects of the new financial scheme, but he believed that, in the future, there will be a shortage of money, and then the real financial decision making will begin. As a result, more debates will occur inside collegial bodies, and the competition among faculties and departments will be evident.

A faculty dean shared an alternative opinion compared to the rest of the interviewees. He supported the new financial scheme, but he thought that the only item which should not be part of the unconditional grant is the staff salaries. He believed that university employees were civil servants, and thus the state should decide their level of payments. He added that: *“however, we asked the government if the new funding formula provides any flexibility in allocating money from one budget item to another, if the financial priorities change during the fiscal year. We received a positive answer, although it was not official”*.

### ***New governance arrangements***

The governance arrangement has been a central issue in the interviews. A government official confirmed that the 2007 law improved university governance arrangements. She said that the law introduced the Rectorate as a collegial executive body. Moreover, the law introduced the Administrative Council which has important tasks over the finances, the administration and university properties. Nevertheless, the senate remains, more or less, the central body of the

university. It deals mainly with the most important institutional matters and represents the university vision. She emphasized that the law reinforced the role of the university chancellor, who is expected to safeguard the legality of those activities dealing with finances and administration.

A second government representative seems to share the same opinion. He thought that the introduction of the AC and the reinforcement of the university chancellor are the most significant recent governance arrangements. According to his opinion, those arrangements represent a partial step toward a full reform with regard to university governance and management.

We have noticed that the rectors interviewed emphasized mainly the Rectorate role among the new governance arrangements. One of the rectors finds the introduction of the Rectorate as an interesting arrangement. He thought that the rector was a strong figure, as a result of the election process, but on the other hand, the Rectorate provided the mechanism to balance the rector's power. Moreover, the existence of an Administrative Council improved even more the check and balance mechanism. He believed that the university's Senate represented a parliament, while the Rectorate a government. He clarified that before issues or documents approached the Senate, it was the Rectorate and the Administrative Council which filtered and smoothed conflicts. This was done in order to free the Senate from strong conflicts, which usually resulted time consuming and reduced the decision making efficiency. Additionally, a second rector confirmed in an interview that the relations between the Rectorate and the Administrative Council were quite normal. One of the reasons he stated was the fact that the academic community had the majority of the votes in the council. He believed that the fact that both internal and external members in the Council were aware about the value of a good management represented the second reason for the normal relation between the two bodies. However, he stated that the future relationship between the two bodies depended on the ability of their leadership to preserve the balance.

A faculty dean explained that the law introduced an Administrative Council, but he did not notice any essential changes in terms of practice. On the contrary, he observed a bigger concentration of power in one hand, usually the rector. He gained strong competences regarding the administration, the finances and the hiring of staff. The former law provided the rector with



a role regarding the new staff recruitment, but all the procedures (the de facto hiring) were managed by the lower structures. Thus, the process was more decentralized. But nowadays, the rector has the power to hire staff, and very often he underestimates the lower institutional structures.

### ***Rector's role***

All the rectors interviewed believed that the rectors' role was strengthened compared to what used to be. One of them said that the rectors' role is reinforced compared to the former legal framework. Such empowerment was based on the fact that the rector was a result of elections which involved the entire university community. He associated the new institutional format to a presidential republic. With regards to the competences, he said that the rector is the university legal representative. Then continued by saying that: *“He has the last say when it comes to decision made from the autocratic structures and he is the university staff employer. Additionally, the rector chairs both the rectorate and the university Senate. So, after the university collegial bodies make a decision, it is the duty of the rector to follow its day to day implementation”*. Additionally, according to him, the rector makes the ultimate decisions when it comes to daily activities, especially those dealing with academic administration. Moreover, the rector has a role in such occasions when two other university structures, bodies or authorities have a conflict. It is the rector who has the task to resolve the contradiction and decide upon solutions. The rector has the obligation to teach as well, although his workload is less heavy compared to fulltime professors.

Another rector interviewed stated that: *“the rector stays above the parties and guarantees good governance. I support the democratic election approach because the rector should have a relative independency from the government in order to lead good university policies. The election mechanism increases rector's accountability toward the university community”*.

The third rector revealed during the interview a significant change in his power framework. He said that, according to the university statute which was approved recently, the rector gained the right to veto once a decision was made by the university Senate. Furthermore, he had the right to abrogate a dean's decision if he considered it against the legal framework. The personnel policy

was another issue which gained importance during the discussion with the rectors. According to one of them, the rector was the university employer. He explained that the university statute enclosed a set of procedures which shall be used in order to appoint new academic staff. These procedures did foresee the establishment of a commission representing all the organization levels, meaning the department, the faculty (the dean selects a representative) and the rectorate (the rector selects another representative). The selection procedure was designed by the department in which the vacancy was announced. The rector had the power to review and approve the procedure. However, the best candidate selected by the commission must be checked by the rector, and in the end it is the rector who decides upon the winner. He clarified that quite often the rector has approved the winner suggested by the commission.

### ***Considerations regarding the Administrative Council***

Another issue covered from the interviews was the interviewee's perception regarding the Administrative Council role. One of the government officials interviewed emphasized the perception that many AC internal members seem to not be aware about their official role. She continued by saying that the law injected external membership into this body in order to guarantee that the Administrative Council role be felt by the rest of the university structure.

A further analysis of the interviews' texts shows that the three rectors interviewed were significantly critical with regard to the AC format and role. Thus, one of them emphasized the fact that his university AC took a very long time in order to select the university chancellor. He thought that selection procedures may be simpler, and furthermore, the Administrative Council should trust the academic environment (meaning that the rector shall have a greater role with regard to the university chancellor selection).

The some delay in selecting the university chancellor was noted by another rector. In addition, his opinion was that the AC represented a deviant collegial body since part of the membership was elected, while the rest was appointed by the government. He said that: *"the members of this body do not have individual responsibility because they don't sign anywhere. It is quite inappropriate to transfer that much power into a collegial body which does not reflect distinguishable responsibility. I believe that it is necessary to clarify individual legal responsibilities within the Administrative Council"*.

On the contrary, one AC chair interviewed said that he strongly believed that Administrative Council was quite indispensable, taking into consideration the philosophical and cultural transition the universities were facing. He told us that: *“the AC is a body which is planned to support the Rectorate in order to handle the deepening of the university autonomy. However, there are some leaders in our university who do not value the Administrative Council role. For many of them, the existence of the AC is a burden because they should submit proposals and reports to this body. There are cases when the Administrative Council has sent back proposals which were judged as incomplete. Nevertheless, I associate such resistance from the academic leadership as part of the cultural and management transition”*.

The last rector asked by us, argued that it was too soon to give an opinion regarding the AC role. However, he pointed out that the country is small and had relatively small universities. Thus, an introduction of the Administrative Council might represent an extra financial burden with regard to the university budget. He believed that the university Senate was capable to fulfill complex tasks. He continued by saying that: *“I think that many of the competences, exercised by the AC, might have been performed very efficiently by the university Senate. Moreover, part of the AC membership is elected, while the rest is appointed. Such characteristic makes this body a hybrid. Nevertheless, I believe that it is good to extend the number of people responsible for the university wellbeing”*.

However, we have noticed that university chancellors and AC chairs had a good impression of the Administrative Council role. One of the chancellors confirmed that he recognized the positive role of the AC. He believed that the external members of this body possessed a high expertise which helped his work. Decisions based on such expertise provide in his opinion guarantee with regard to the university positive progress. He asserted that the AC impact is not fully felt due to the fact that this body has started its work recently.

Another chancellor answered as the following: *“I do appreciate the Administrative Council’s role. I have read the national strategy for the higher education and I find it very fresh and modern. According to the strategy, the AC is a transitory structure which will be replaced by the*

*university Governing Board. However, the AC cannot be a simple formal filter (rubber stamp) for decisions made by other university bodies. Our university Administrative Council has many members who provide high expertise. Many of them are officials working in some of the Ministries and deal with budgets and financial management. In my opinion, if the AC brings me back a document which was prepared by me, I consider it as a help since I will be able to improve my work”.*

One of the interviewed AC chairs said: *“I do consider the Administrative Council as a kind of opposing body for the Rectorate. The AC shall oversee the activities of the Rectorate. It should not be the Rectorate alone to decide about everything”.*

A faculty dean, who was quite critical during the whole interview, expressed the concern that the Administrative Council should not reflect a big presence of the government delegates. He argued that if the government had been less present, then the entire university decision making process would have gone smoother. He said that faculties should send professionals in there because so far the internal members were quite inexperienced. Additionally, he emphasized that the internal members are not independent since rectors and deans have a strong influence on them. In his opinion, the Administrative Council should accept its submission to the university’s Senate vision. Finally, he strongly believed that if the 2007 law provided more competences with regards to the Rectorate, then the need for an Administrative Council would have been completely obsolete.

### ***Actual practices***

We needed to compare the formal AC competences and the actual practice of its role. Thus, we have addressed this issue during the interviews with the AC chairs. One of them responded that: *“last year, we approved the university budget and the criteria for its distribution. We have selected the university chancellor as well. However, there had been other issues we could not resolve since they were macro problems (problems with the university properties)”.* He continued by saying that: *“We have noticed that the regulative framework of our body is still incomplete. We are expecting a Ministry directive which will clarify our competences regarding the monitoring of the university administration performance, the approving of personnel structure and distribution, and the relationship with both the Rectorate and the Senate. Since we are missing an official confirmation regarding our definitive tasks, we cannot exercise some of*

*the responsibilities foreseen by the law. Especially, what regards performance monitoring and the administrative personnel structure*". He explained that his university has not still an official statute, and, as a result, the implementation of the law seemed to be quite spontaneous. He confirmed that there is still discussion regarding the division of competences.

A second AC chair affirmed that the council members could not exercise their competence to approve the university's draft budget since the process happened during the summer, period when the AC is not able to organize a meeting. The same happened with regard to the task to approve the budget allocation criteria. He told us that he did ask the rector several times, but he did not receive any reply. The council did not receive the personnel structure so far, although it was its duty to review and give consent. The council has required the annual university activity schedule as well, and it did not receive it by the time we conducted the interview.

### ***Internal functioning***

In order to understand the internal functioning of the AC we have asked some questions which addressed issues like: how decision was taken and if there was any split in coalitions within the body. All the chairs interviewed shared the same experience. They confirmed that there have been cases in which the council membership was divided in two groups, those supporting the government policy and another group supporting the rector or senate position. However, they recognized the fact that the majority of the external members (those appointed by the government) provided a high expertise, and thus quite often they positioned their self according to their won opinion. Nevertheless, in the majority of the cases the governmental policy prevailed over their individual beliefs. The same was confirmed regarding the internal members. They supported the rectors' preference in the majority of the cases. The frequent dispute between the two groups has encouraged the use of the voting mechanism, by which the majority of the internal members transformed its opinion into the official position of the Administrative Council. One of the chairs expressed her regret that sometimes they have used their majority, although they did not have the best arguments. However, all the chairs interviewed confirmed that the general trend was to reach compromises without using the voting system. They told us that the council has organized several meetings regarding the same subject in order to find a compromise

between both groups. Nevertheless, the division was evident. The Administrative Council was divided in two groups with respect to their mandate source.

### ***University administration capacities***

University administrative capacity was another issue covered from the interviews. We have noticed that the most concerned respondents regarding such issue were the AC chairs and university chancellors. This perhaps, their positions have as main tasks finance and administration affairs. One of the AC chairs interviewed argued that in order that the university structure respond effectively to the Administrative Council demands, the institution should have a capable administration. He was convinced that the chancellors will soon realize that they have to work with an old and unqualified administration. Another chair asserted that the university's administration improvement was indispensable. The university she was working for had 50% of its employees working in the administration. She thought that such percentage was quite high and showed the inefficiency degree of the university administration. She strongly believed that the university should re-conceptualize its management.

According to one of the university chancellors, the university administration should be skilful and well-structured in order to be able to respond to the new dynamics. *“Actually, we are planning an administrative reform which does consist in two main targets, capacity building and the reorganization of the administrative structure”*.

Another university chancellor said during the interview that *“We need to modernize the university administration through offices restructuring and the increase of personnel capacities”*. While a government official was sure that the implementation of the new funding scheme will disclose the real university financial management capacity. Referring to the same subject, a rector expressed the fact that, as a result of the new funding scheme, university officials felt the need to be trained.

### ***General concerns***

Almost all the respondents have expressed concerns regarding several issues. However, government officials have been quite active in expressing a variety of concerns. For instance, one of them told us that: *“I have noticed that the university Senate is not ready to handle the changes made to the funding scheme and to the financial management. Furthermore, the university*

*statutes are quite general with a weak degree of details. The university internal regulation has not foreseen clear procedures with regard to financial management and authority delegation. The lack of clear rules does not guarantee a transparent allocation of the university budget. I mean that budgets may not be distributed by considering university units' performance. I suspect that the rector's favorite dean will receive much more funds than a less preferred one".*

Additionally, he suspected that the rector will accumulate too much power with regard to the financial process. He emphasized an essential misinterpretation of the 2007 law with regard to the financial management. In his opinion, the recent law suggested that universities, considering their relatively small size, shall be managing their finances based on a corporate approach. But it seemed that some university authorities had interpreted that as a suggestion which favored the idea that the rector, together with a central finance office, shall control the whole financial management. He considered such interpretation to be wrong because the law aims an internal devolution of the financial processes. This meant that the university central finance office shall not decide upon spending, but instead, it should safeguard the budgeted limits approved by the university collegial bodies and execute the request made by authorities, like deans or department heads. He continued by saying that: *"the law makes it clear that the one who decides about the spending (after the budget allocation is approved) is the authority who deals with the content, meaning the dean for the faculty and the department head for the basic unit. The university finance office is expected to safeguard the approved budget structure and execute the request made by the academic administrators. I feel sorry to say that these two essential roles are not being divided properly".*

The government official thought that universities, in general, have a weak sensitivity regarding developments in the external environment. Therefore, there is a strong need to include external members into university governing bodies. According to him, the external members will bring to university the experience, the information and the knowledge which will help to match university activities with the external environment trends. *"We have tried to achieve such aim through the Administrative Council, but we witness that this body is unable to impose its mission to the university routine. Thus, we will introduce a Governing Board which will be dominated by external membership. The board will represent the vision which university shall follow. This*

*body will encourage a new format for the university leadership. University leaders shall have an excellent academic background, but, in the same time, they should reflect expressed managerial skills”.*

One of the university rectors believed that the 2007 law has introduced too many collegial bodies. I believed that collegial bodies in developing countries are not appropriate. Within their collegial decision, individuals hide their individual responsibility. Thus, the decision does not reflect accountability and effectiveness. Furthermore, many of the university collegial bodies are unable to handle their tasks dynamic.

Another rector expressed the opinion that the new funding scheme should take into account the particularities of the higher education institutions. He continued by saying that: *“For instance, our university (the Agricultural University of Tirana) is unique in the country. The study programs we offer are not very attractive at this moment, but the experts we train are indispensable for both the country’s economy and the population welfare. If the funding scheme relies too much on the student quantity indicator without taking into consideration the real training cost, our university will suffer. The state budget should guarantee the basic university activities regardless of student quantity”.*

Another respondent told us that the Polytechnic University had the right to review important public infrastructure projects. The professors working for this university offered a high expertise in such matters, but the actual rules did not allow university authorities to reward their excellent and hard working professors. He continued by saying: *“At least, we should be allowed to use our won revenues to stimulate our experts, but so far this is not officially possible”.* One university chancellor expressed the concern that the university he was working for should have had a stronger applicative dimension.

Finally, one of the faculty deans interviewed expressed a concern related to hierarchy and centralization. He said that the recent law introduced the Rectorate which in fact, according to him, did exist previously in his university, although in an informal basis. He clarified that the Rectorate did function as a body in which every member was equal and free to raise issues. But



contrary to this, the actual Rectorate is quite hierarchical, meaning that the rector dominates the body agenda and the decision making.

### ***Implementation concerns***

We noticed that government officials were very concerned with regard to the new governance arrangement implementation. One of them told us that she was concerned about the establishment of the new collegial bodies and the implementation of the autonomy promoted by the law. She said that the law generally described tasks and duties, and then detailing will be provided by the university statute. She was informed that some of the university leaders interfered and tried to take away some of the competences that were given by law to collegial bodies. She continued by saying that: *“We did not give the autonomy exclusively to the rector or the dean. They should share it with the organization collegial bodies”*. She was concerned about the partial understanding of the AC internal members regarding their own role within the council. She also expressed the concern that the majority of the Administrative Councils were under rector’s influence.

Another government official expressed a number of concerns regarding the law implementation. First, he said that every new body needed a certain time to find its place within an institution. However, he found the first signs to be pessimistic. As a result of its format, the Administrative Council was not effective. He did notice two main problems with regard to the Council. First, the council chair was elected from the internal membership, and, as a result, the council mission to counterbalance the university leadership was somehow jeopardized. Second, the majority of the members originated from within the university. Furthermore, they were either inexperienced or unknown personalities within their own environment. That made them easily intimidated by the university leadership. He thought that the internal members were not doing what they were supposed to do according to the law. They found themselves quite often under university leadership influence. As a result, the Administrative Council could not play its formal role. Another issue he talked about was the university chancellors. He said that many rectors did not accept the full role of the chancellor since he was selected by the AC and appointed by the minister. According to the respondent, they perceive him as an employee delegated by the government, while rectors and deans were democratically elected. As a result, it seemed that

many chancellors had a partial role within the Rectorate. The university chancellor was conceptualized as a manager, administrator, official who had the task to prevent the breach of law, however, within the limits set by the university autonomy. The former status of the chancellor was quite modest. He was considered as a simple employee of the administration, and was fully controlled from the rector. He continued by saying that: *“I can say that there is a real imbalance with regard to power distribution. This imbalance is 90% de facto and 10% de jure”*.

According to another government representative, in some universities, the Council is exercising the majority of its competences, while in others, they are struggling significantly. As regards university chancellors, she hoped that they will change their behavior according to their new role. They were supposed to think and act differently. However, she assumed that the rector’s role will result problematic since he will try to preserve his power, and therefore avoid the role of the collegial bodies.

Other concerns have been expressed from several respondents. For instance, one of the rectors was convinced that the university may profit a lot from a good financial management, but on the other hand, it should not be transformed in a private business in which the financial management became an aim in itself. One of the AC chairs expressed a more concrete concern. His council did not have any office. Another AC chair told us that the council members could not connect online in order to exchange documents. Furthermore, she has noticed a kind of resistance from the side of the academic staff and some of the academic leaders. She said that, in some cases, academic leaders did not recognize our role and underestimated our authority. She continued saying that: *“The beginning is somehow difficult until you earn the authority”*.

The last AC chair interviewed said that: *“I want to emphasize the fact that the AC is a recent body, and many things might not go as it should be in the very beginning of its implementation. There are a lot of things that I, as the chairman, do not know how to deal with”*.

Finally, one of the deans interviewed put his concern as the following: *“The way how things are really working may be illustrated by the following sentence: In a totalitarian society the laws may be democratic, while the mentality is still totalitarian. For instance, the Rectorate work should reflect the opinion of all its members, but the reality is that the majority of things are*

*being decided by the rector. The collegial bodies are rooted into a democratic approach, but they are managed according to an autocratic mentality”.*

### ***Hierarchy and internal devolution***

Hierarchy and internal devolution is an important matter in our research since it reveals the implementation of the governance arrangements and the university institutional characteristics. Asked about this issue, one of the rectors told us that they are trying to delegate some technical tasks to faculties. But on the other hand, he explained that the rector controls the process of academic staff recruitment. He had the power to approve the selection criteria, the competition procedure, and finally, he had the formal task to choose a winner. Although, in the majority of the cases, his decision respected the suggestion coming by the selection commission decision. However, the rector argued that the preference of the selection commission does not represent a must regarding his decision.

Another rector told us that the existence of the collegial bodies did make more opened and transparent decisions. They had plans to decentralize tasks and competences. He did not like the fact that competences, which should be exercised by a dean or a chancellor, are exercised by the rector. He told us that in the past it was the rector who decided upon many issues. Furthermore, he was consulted by a small team, but nowadays, the decision making is much more collegial. The Polytechnics University rector was another authority who seemed to appreciate the collegial bodies' role. He thought that the university Senate was the central institutional body, although the rector was a strongly legitimized position since he was directly elected by the university community. However, he believed that the rector had a crucial task in order to make sure that university strategy and decisions be implemented properly. He continued by saying that: *“I believe it is essential that all the university bodies and authorities understand their tasks as being integrated to each other. We should move toward an integrated management in order to guarantee a smooth implementation of decisions and plans”.*

Both faculty deans interviewed expressed concerns regarding the high degree of centralization of a number of processes. One of them told us that: *“With regard to the financial management, every activity is centralized. Although we put efforts to extend the autonomy until the lowest*

*levels of the organization, we observe that, on a de facto basis, the university central authorities have concentrated a big deal of competences. There has been a partial interpretation of the law. All the purchase procedures are being organized from the university upper level. We have the right to submit a request for a purchasing, and then it is a commission in the Rectorate which makes the decision”.* He said that the faculty has no right to manage budgets or organize purchases. In his opinion, this minimized both the effectiveness and the efficiency of the university budget targets.

The second dean argued that faculties should have had more autonomy from the university central structure, especially what concerns scientific research and operational costs. While, other budget items management might be concentrated in the university central structure. However, he supported the idea that departments should have a greater role with regard to the financial management.

Finally, a university chancellor clarified that university leadership is aware about the requirement that financial autonomy should travel until the university base. He confirmed that they are working to make that happen.

### ***Performance management***

We are aware that performance management has become a crucial issue in modern higher education system. We understand that this issue has a strong connection with university governance. Thus, we have addressed this issue during our interviewing. One of the rectors asked said that there was a strong need that public universities should change their management approach. He assumed that there was a need to regulate the academics workload, but he noticed that the ministry directive went too much in details, thus considering the professor as a regular civil servant. However, he believed that it was quite difficult to evaluate the knowledge worker performance in tiny details.

In another interview, one AC chair told us that they have been planning to evaluate the university administration performance. She strongly believed that there was room for administrative capacities improvement.

Lastly, a faculty dean shared the opinion that time had come to measure the work performance of every university employee. He continued by saying that: *“We have tried in the past to introduce some indicators and standards, especially concerning the scientific research activity, but we realized that this was very difficult to implement. The lack of research infrastructure and facilities made it extremely difficult to demand high performance from our academic staff. However, it is quite ugly to see professors performing the same quantity and quality of work, although their salary has doubled”*. He thought that perhaps the working contract might be used in order to impose some performance targets. In the end, he told us that he was convinced that the professors’ workload directive, issued by the Ministry of Education and Science, was very difficult to be implemented unless changes were made. According to him, the directive did not take into consideration universities’ context.

### ***Higher education law expected implications***

The expected implications of the new arrangements have been discussed in some of the sections of this chapter. However, three respondents have talked more directly about this issue. For instance, one of the government officials told us that: *“For the first time, we will see that universities will develop their institutional strategies and financial priorities. The above, together with the new funding scheme, will require better managerial capacities”*. Another government representative said that the law will encourage academic leaders to present and defend their unit’s interests in the university Senate and the AC. For the first time, the internal university structures are expected to compete with each other for financial support. A university chancellor responded that: *“I believe that the new funding scheme will increase the responsibility of all the employees involved in the financial process. It will increase the rational competition among departments. The new funding formula will improve the financial management process also because the university needs will progressively increase, while budgets will not be enough”*.

### ***Differences in interpretations***

The respondents had different interpretations regarding common issues. For instance, the law gave the same competence to the rector and the AC. With regard to this overlap, one of the rectors told us that, according to the law, the general personnel size was determined by the minister, while the personnel structure and its distribution was a rector competence. He admitted that there was an overlap in the law, which gave the same attribute to the Administrative

Council. However, he believed that the rector should have the right to decide upon the personnel structure since that is the most efficient way.

According to one of the government officials, the Ministry of Education and Science did not approve many universities statutes. The statutes were based on a wrong interpretation with regard to the higher education law. The most common misinterpretations involved governance bodies' competences. One of the rectors had a different interpretation with regard to the collegiality, compared to that of the University of Tirana rector. He thought that the academics share a common responsibility, whoever is formally in charge. The decision making process should include the academic staff. He believed that a skilful rector cannot achieve much if he does not cooperate with the collegial bodies and the academic community.

One of the AC chairs talked about the differences in interpretations occurred inside the council. She said that, according to the external members of the AC, the university chancellor should not be subordinated to the rector's authority, but instead, he must be considered a parallel authority. But the internal members argued that the chancellor obeys to the university policies, therefore, he should be rector's subordinate. She continued by saying that: *"To be frank, the law is quite unclear regarding this issue. However, we think that the rector is the highest authority in the university, and, as a consequence, the chancellor shall recognize the rector as his superior"*.

Another difference in interpretation is the one made by a faculty dean which contrast an interpretation made earlier by a government representative. The dean told us that the Administrative Council did not work properly because it was defeated by the politics. According to him, the percentage (49%) of external members was high, and the majority of the decisions need the approval of a 2/3 of the body membership. By contrast, the government official argued that the AC does not work properly because the external members (minority) were controlled by the internal members (majority) since the majority of decisions were taken by the simple majority.

### *University-environment cooperation*

The interviews addressed a question regarding the interaction between the university and the market in general. The answers were almost identical. On one hand, the Albanian business was not matured enough in order to understand and seek its interests in the higher education sector. On the other hand, universities were not ready yet to face an intensive cooperation with the business. One essential obstacle was that many universities did not develop their research capacities, especially those which deal with applied research. A second issue was the fact that universities were still obligated to comply with a lot of bureaucracy, which made them unattractive in the eyes of potential clientele. Thirdly, universities did not have the right to reward financially those human resources that contributed to research or consultation activities. The fourth and the last reason, this according to one of the government representatives, was the fact that businesses representatives were not able to participate in university governing bodies in order to address properly their views and interests. The same government representative confirmed that the higher education system is still highly coordinated by the government and the academic oligarchy.

### *Future plans*

We asked about government future plans in the field of higher education governance. Although the future intentions are set clearly in the official national strategy for 2008-2013, we have asked those government officials we interviewed. One of them told us that the national strategy does foresee the introduction of a Governance Board, and thus we will be obligated to provide it.

Another government representative talked more about such plans. He stated three main future reforms. One of them was to transform the university from a state institution to a public university. Such new status required efficient governance which in turn will help HEIs to be more competitive. The Governing Board will be the main mechanism to foster the institutional ability to govern its affairs. The board will have a majority of external members and the chairman should be part of this majority. Secondly, the university leadership shall not be a result of a populist vote as it was so far, but instead, they will be appointed by the board which will consider both academic and managerial qualities of the candidates. He noted that the new leadership elected by a populist method was facing significant difficulties in taking decisions. He said that the third intention was to move toward a funding model which is based on the public-

private partnership approach. The public money will be allocated based on a contract which will be negotiated between the government and the HEI. The funding shall consider the university performance.

### *Summary*

The data described above show some of the main opinions and attitudes among actors, which are involved in the reform implementation process. The opposing interpretations, between government officials and university representatives, indicate that the reform intentions are not permeating the subsystem as it was planned by the policy makers. The government officials are not satisfied with the degree of implementation with regard to the new governance arrangements. Moreover, they are not satisfied with the way how these arrangements are perceived, and than exercised by the universities authorities. Several law arrangements are undergoing through many interpretations, which contradict each other. The interviews indicate that the process of the law interpretation is occurring within the university as well. Rectors, deans and AC chairs share distinctive understanding with regard to the law requirements.

The data suggest that some of the arrangements are not working exactly as it was described in the higher education law. This was evident especially in the case of the Administrative Council and the Rectorate. The experiences gathered through the interviews show a degree of power struggle between the university executive leader and the rest of the authorities or collegial bodies. It seems that the formal governance framework is not yet stabilized. The data indicate a high degree of informality in which a lot of power is accumulated or distributed in a de facto basis. Furthermore, some of the respondents report centralization practices with regard to financial management and staff recruitment. The interviews, suggest a university which is quite more balanced with regard to its “bottom heaviness”, and the steering core than it used to be. However, we noticed that the policy implementation was still undergoing. As a consequence, other developments are to be expected. Furthermore, the data suggest further reforms plans from the side of the government.

In the final chapter, we will use the above observations and develop an interpretation regarding these empirical data. This last chapter will try to compare findings derived from the document



analysis and the empirical data. Lastly, in this chapter, we will come up with a governance model with regard to the Albanian public higher education system.

## **Chapter 8: Discussion and Conclusion**

### ***Introduction***

Before starting with the comparative analysis of the policy intentions and the interview findings, it is worth repeating our main research question and the research sub-questions. The research questions are as the following:

What are the main effects of recent national higher education policies in Albania on the governance and management practices at public higher education institutions?

1. How can the current system level governance model with respect to higher education in Albania be interpreted?
2. What are the intentions of recent government policies in Albania with respect to the governance and management of public higher education institutions?
3. What are the main recent developments in practice with respect to governance and management at Albanian higher education institutions?
4. How are the national policy intentions and institutional practices with respect to governance and management of higher education institutions in Albania related to each other?

We will use the core dimensions from the analytical framework in order to organize the analysis. We find it important to emphasize that this chapter will address mainly the first and the last sub-question. We will start with the university autonomy, than analyze the new governance arrangements and, finally, conclude with the Albanian system governance model.

### ***University Autonomy***

In the very introduction of the Albanian higher education law, it is stated that the law intends to define the mission and the main objectives of the Albanian higher education system. In our opinion, this means that the external boundaries of the system are determined by the government which formally controls the policy making process. Moreover, the government has the power to approve the establishment or the termination of a study program. We believe that such power provides the government with an instrument to control possible study programs' overlap, and

make sure that new degrees be compatible with the government policies. However, this was not listed as a concern in the interviews conducted with university representatives.

Another issue, which relates to university autonomy, is the power to determine both the student enrolment size and student enrolment process. The law clarifies that these essential variables are controlled by the government. The universities have the right to propose, while it is the government which decides. The enrolment student size came up as one of the university representatives' concern. They desire to control the student size since they believe to know better the universities' accommodation capacities. However, an important ingredient of the institutional autonomy, the process of hiring and firing for both academic and administrative personnel, is controlled by the university. So in both de jure and de facto perspective the university had the power to choose its own staff. Nevertheless, the interviews data indicate that the academics recruitment process is much more centralized than it used to be. The upper organization level gained more power with regard to the employment process.

We found out that the university personnel salaries were determined by the government. According to some interviews, the university employers were still considered as civil servants, and thus there was no much flexibility regarding their salary structure. Rectors and university chancellors argued that the new funding scheme did not provide enough room for an elaboration of a financial reward scheme with regard to the best performing academics. Furthermore, they added that the standard financial management rules do not provide enough flexibility, so that universities use their own incomes in order to reward its staff.

However, the law confirms that the Albanian public higher education institutions operate according to the financial autonomy principals. Consequently, the revenues which are secured by the university shall be managed by the university itself. The current policy introduced a new funding scheme by which the state financial support was divided in two categories: the unconditional grant and the competition grant. Additionally, the law clarifies that the amount coming from the state budget should be used according to the public financial management rules. All the financial transactions must be done through the state treasury based on financial control rules.

However, universities seem quite free to determine its financial priorities, but we can not say the same when it comes to the way how the finances should be managed. As a result, universities must adapt several financial and purchase procedures to those applied from the rest of the public

institutions in the country. The interviews data indicate the common concern of rectors and university chancellors with regard to the procedural financial autonomy. They complained that the standard financial management rules did not take in consideration the university context, and, as a result, impede university administrators to satisfy the institution needs properly. Rectors demanded more freedom with regard to the financial incentive policy regarding the university academic staff. However, they seemed to be satisfied with their degree of freedom to determine the university financial priorities.

We believe that the determining of the service price, which in our case is called tuition fee, is another indicator that points out the university autonomy degree. The 2007 law suggests two main fees: the study fee and the registration fee. The study fee is determined by the Council of Ministers, while the registration fee is under the competences of the Ministry of Education and Science. Universities do not have any power in influencing the process beside the right to propose. The current tuition fees are quite low and do not reflect the real cost of the education. However, due to lack of infrastructure and well organized services, students have to cover extra costs which sometimes can be high. The interviews show that the rectors were not satisfied with the current tuition fees. They argued that it was impossible to offer decent services when the service price is very low and the state subsidies are not enough. Therefore, all of them required an increase on the tuition fee. Furthermore, they desired to control the prices by themselves.

According to a government representative, the policy makers aimed to extend the public universities autonomy, but the autonomy was planned to be balanced by the accountability. As a consequence, the law introduced several collegial bodies.

However, the interviews with university representatives do contrast the government desire to grant more autonomy to universities. Some of them confirmed a strong government intervention into university matters. They believed that the Ministry of Education and Science consider universities as government branches. Other respondents expressed their concern that the external members of the AC attempt to broaden government jurisdiction within the university. Nevertheless, according to one of the government officials, the ministry does only approve the framework within which universities should act.

We believe that the university autonomy is not an ended process. The evidences point out a mixture of progress in which some of the autonomy indicators stood well, while others were still under the control of the government. Nevertheless, almost each person interviewed believed that

the process was going generally well, and that in the future universities will have a full autonomy. Generally speaking, we did encounter two kind of distinguished approaches. On one hand, there were government representatives who were skeptical about the universities capacity to handle a full autonomy right away, thus they expected an improvement of university governance and management. On the other hand, there were university representatives who asked for more autonomy.

### ***The Rectorate***

The university Rectorate is a collegial executive body composed by the rector, the vice rectors, the university chancellor and faculties' deans. Some of its main responsibilities are: the drafting of the long term university development plan; it prepares the annual activities plan; it monitors the application of the university annual activities plan; it guarantees the implantation of the Senate and Administrative Council decisions; it prepares the criteria concerning the allocation of the budget and human resources; and finally, it decides among competitive financial requests submitted by faculties or basic units. We believe that these tasks indicate a strong executive nature. Moreover, we think that the Rectorate has a strategic position within the organization since it has dynamic access to information, and has the capacity to process and interpret such information via the university administration. The introduction of the Rectorate, apart other reasons, seems to fulfill the intention which aims a stronger integration within the university. The old nature of the public university did reflect a strong loosely coupled organization mode which hindered the university from the possibility to act as a single body based on common priorities. However, we are quite unclear how the Rectorate will pull the university together. What we know so far is the possibility that the Rectorate might be a strong executive body since the most powerful university leaders are part of this body. The interviews indicate that the Rectorate is not functioning completely according to the law. It seems that the practice indicated an imbalance of power between the rector and the other members of the Rectorate. We believe that the fragmenting of the Rectorate membership and the dissatisfaction of some of the members might reduce the efficiency of this body. It is also necessary that all the Rectorate members should feel a sense of ownership regarding the decision making outcome. But, according to some of the interviews the rector transferred his superior authority over deans with regard to the institution autocratic apparatus into the Rectorate which in fact is legally composed by equal members. The

concern of the government officials that rectors, especially after their direct election by the university community, might be able to provide themselves with more power than they formally should, seem to be justified. We have to emphasize here the fact that we did interview only two deans out of around 17 that the three universities hold together. The number of the deans interviewed is not enough to tell us how the Rectorate is really working and what kind of role the rector really play. However, we believe that the data we collected, provide the possibility to come up with general tendencies with regard to the issue

### *The Administrative Council*

The Administrative Council is one of the most interesting and controversial arrangements introduced by current law. The government planned to enlarge the university autonomy. This meant that the government will have little or not any control with regard to some of the decision making which government used to control. However, the government had to transfer such power in a responsible way. As a consequence, more autonomous universities were expected to develop stronger accountability instruments. Moreover, since the government was reducing its direct role it was necessary that the society interests be delivered through other mechanisms. All these concerns seem to have given birth to the Administrative Council which was originally planned to be a Governing Board. In our opinion, this body seems to combine the need for more accountability, modern management, and the opening of the university to wider interests as 49% of its members come from outside the university. According to the law, the Administrative Council has important competences with regard to the university budget design and allocation. It approves the administrative staff composition and size; monitors the efficiency of the budget implementation; monitors the efficiency of the administrative staff activity; approves the university annual financial report; and so forth.

We believe that the Administrative Council power concerning both monitoring university administration performance and approving the administrative staff composition represent a significant premise toward a university administration reform. Perhaps it is interesting to emphasize that the Administrative Council shall fulfill some of the responsibilities in a co-decision process with the university Senate. Thus, the coordination between these two bodies becomes quite important with regard to a stable development of the university. The evidences we collected suggest that the rector has a significant role in such coordination. We find the inclusion

of the external university members via the Administrative Council quite interesting. The university did not have any external representation within its formal framework in the past. Perhaps the Administrative Council and the future Governing Board may help the strengthening of the tightly coupled nature of the university which is expected to empower its corporate enterprise dimension.

The interviews indicate that the AC is strongly criticized by all the university officials who are either controlled or their power is counterbalanced by the role of the council. Rectors and deans point out the hybrid nature of the council in which part of the members is elected, while the other part is appointed. They believe that the council would not be necessary if the Senate or the Rectorate had more formal responsibilities. Some of them viewed the AC as quite slow and inefficient, as the result of the big presence of the external members. Furthermore, one of the rectors believed that the AC collegial characteristic was not appropriate for the current development stage of the university. According to him, the council members were not inclined to act in a responsible way since they were able to hide their individual responsibility into the collegial one. The data indicate that all the authorities that loose power because of the existence of the Administrative Council are very skeptical with regard to its worth fullness. However, all the university chancellors and the AC chairs interviewed, showed a positive consideration with regard to the council role. The chancellors relied on the expertise offered by the external members of the council, and they believed that the overall AC role helped them to improve their work. The AC chairs believed that the council was an important body, especially in the current period in which the university has earned more autonomy, and it is expected to change its governance and management approach.

With regard to the council internal functioning, it seems that this body finds itself in between two distinctive values: that of collegiality, which is consensus seeking, and the political approach, which is based on the voting process. Interviewees confirmed that the council membership is usually split in two groups: those coming from outside the university, and those coming from the inside. Those coming from outside try to support the government policy, while the rest of the members put efforts in promoting the rectors' or senate preferences. However, the data indicate occasions when the external members did reflect their own opinion, and thus the way into the

consensus was easier. In other occasions when, according to the respondents, the external members attacked the rector position, the internal majority blocked them through the voting process. The majority of the AC chairs believe that the external members are less independent than the internal ones, while the government representatives interviewed stated the opposite.

Perhaps another reason why the body does not work as one is the fact that organizations, which require participation on a full time basis “primary structures” and that provide permanent posts, are more likely to significantly affect participants’ interests and loyalties than organizations made up of part-timers “secondary structures” and temporary positions (Egeberg, 2005, p. 5). In our case, all the members of the council view their presence in the body as a part-time engagement. All of them have other main engagements, meaning that their carrier is determined by activities outside the council. Another delicate issue inspired by Larsen’s (2001, p. 330) work is the question whether the council can influence the results of the organization and the precondition is that the council members understand their mandate. The interviews with government officials and AC chairs indicate the fact that the majority of the council members do not fully understand their role. They do not realize the real mission of the council and its real power. Therefore, some of the councils seem to struggle immensely in order to exercise their functions. Another question found at Larsen (2001, p. 333), which addressed the Governing Board functioning in the Norwegian colleges supports further our findings. He believed that a central question in order to investigate the Board role is whether this body has autonomy to exercise a real governing role and influence the core activities of the organization. In fact, we have realized through interviews made with government officials, a faculty dean, and AC chairs that the council does not have enough autonomy in order to play its full role. The data indicate that the internal members of the Administrative Council were usually under the control of the rector and faculty deans. They very often back up university leadership positions and used themselves as a shield against the “attacks” organized by the external members. We believe that such behavior risk to transform the Administrative Council from an active decision making body to a rubber stamp, which approves all the proposals coming from other bodies without being able to use a critical approach. Therefore, we believe that the current Administrative Council seems to be quite distant from the original governance intentions which appear quite clear in the council formal competences.



### ***The Rector***

The law clarifies that the rector is the chairman of the Rectorate and the university Senate. So the rector becomes a crucial position since he is the main coordinator of both the university executive and legislative body. However, the law describes few direct competences of the rector, although we assume that the rector power is reinforced indirectly via the power exercised by the Rectorate and the Senate. Based on interviews made with government officials we believe that policy makers intended to strengthen the executive leadership capacity for action without transferring too much power to the rector, but instead, giving it to the collegial executive body.

According to the interviews with government officials and faculty representatives, they addressed the concern regarding the strong de facto role that the rector might obtain. Additionally, they stated that the rector's role was crucial with regard to the university well-functioning, but on the other hand, all of them were concerned about the immense power the rector could provide to himself informally. In fact, the new law introduced a new basis for the rector's election. The law sanctioned that the rector should not be elected by the university Senate as it used to be, but instead, by the entire university community. Thus, the rector was provided with a very high legitimacy. In order to illustrate this we will use one of the narratives a rector offered to us during an interview. He said that: *“the rector's role is reinforced compared to the former legal framework. Such empowerment was based on the fact that the rector was a result of elections which involved the entire university community. He associated the new institutional format to a presidential republic”*.

So, the highly legitimized rector feels strong. This enables him to interpret several vague competences of other bodies in his favor. He seems capable to fill a legal gap with a de facto action. Based on his enhanced legitimacy he seems to believe to deserve more power. The data indicate that, although the law does not provide a particular strong role to the rector, he is able to absorb the power granted to the Rectorate, therefore becoming more powerful than it was originally planned by the policy makers. His strong “political” leadership indicates that the formal executive power foreseen by the law may be fully operational in the ground, although not via the Rectorate as the law intended.

Additionally, one rector told us that, according to the university statute which was approved recently, he gained the right to veto once a decision made by the university Senate. It seems that

the presidential republic mentioned by the first rector becomes a formal reality in one of the universities.

### ***The university Chancellor***

The chancellor is another authority whose role has been reinforced by the current law. His new role covers matters relating to finances, administration, and the legality of university activities. The former law emphasized the subordination of the chancellor to the rector, while differently enough, the actual law grants more sovereignty to the chancellor. Thus, the chancellor-rector relationship is expected to be based on a partnership approach. Additionally, according to the law, the university chancellor is not appointed from the rector as it used to be, but instead, he is selected by the university Administrative Council and appointed by the Minister of Education and Science. This might be interpreted as an attempt to detach the chancellor from the rector hegemony. However, this intention has proved to be difficult since the majority of the AC members come from within the university, and thus they usually find themselves under the rector's influence.

According to the law, the chancellor is expected to direct the administrative and financial activities of the institution, to guarantee the appropriate execution of the university budget, and to monitor the legality of the university activities. Additionally, the chancellor is a member of the Rectorate which, as described earlier, is the main university collegial executive body. It seems that the university chancellor is partly an administrator and partly a manager. What we mean is that the chancellor position reflects, on one hand, the responsibility toward outcome achievement and the supervision of institutional effectiveness and efficiency in the distribution of resources, while on the other hand, it ensures the implementation of legal procedures. Furthermore, the new funding scheme puts the chancellor in a more dynamic and sophisticated position. The government representatives expected a new behavior from the university chancellors. They expected a transformation of the chancellor's role from a passive accountant to an active manager able to understand the dynamics of the external environment.

Additionally, the university chancellor seems to be a key instrument with regard to a successful implementation of both institutional and financial autonomy. He has a key role concerning the university budget design and implementation. He is the chief of the university administration,

while many elements of the university autonomy, are managed and executed by the same administration. Finally, the chancellor is the guardian of the rule of law within the university. He monitors the right implementation of the university autonomy. However, the data indicate that chancellors prioritized much more financial and administration matters, than the task of guaranteeing the rule of law. The evidences let us understand that the chancellors were somehow independent with regard to the rector, although some signs of hierarchy were possible to be observed in practice. However, we have the impression that the chancellors interviewed, found themselves in between a strong academic leadership and an old fashion university administration. We believe that such boundaries constitute serious challenges with regard to the new managerial role that the chancellor is expected to play.

### ***Hierarchy and delegation***

Based on the current law analysis, we did not distinguish a clear line of authority among the rector, faculty deans, and heads of departments, although the dean is elected from the faculty community and appointed afterwards by the rector, or the department head is elected from the department members and appointed later by the dean. However, we perceived a weak hierarchical relationship between different institutional level authorities. For example, the rector had the power to revoke a decision made by the dean if the decision was considered to be against the higher education law. The same goes for the relationship between the dean and the department head. Nevertheless, it seems that the law does not encourage a clear hierarchical executive leadership structure. We assume that the hierarchical relationship is more expressed on a de facto basis. This assumption seems to be supported by the interview data as well. For instance, the government officials confirmed that the law intention was to foster the internal devolution of competences inside the university, especially what regarded the financial management. Furthermore, they stated that the collegial bodies were important arrangements in the current law. But, all of them were concerned with regard to the possibility that university leadership collect more power in a de facto basis than they were supposed to have according to the law.

One of the government officials told to us that the power imbalance between the bodies and authorities in the public university was 10% de jure and 90% de facto. Furthermore, he

emphasized the fact that some of the universities leaders misinterpreted the law. He clarified that, according to the law, the new funding scheme and financial management are supposed to function based on a devolution approach. Unfortunately in some universities, the belief that it is the rector, together with a central financial office who controls the financial process, became an official interpretation. But on the contrary, the law suggests that the faculty dean or the department head should order certain spending, while the university central office has the duty to execute such order if it respects the budget structure. Similar concerns have been addressed by faculty representatives. They confirmed that the law is partially interpreted, and, as a result, the rector has accumulated too much power. The university central offices control the financial management as they control the purchasing process. Additionally, they were not satisfied with the way how the Rectorate was managed. They complained that the rector controlled the Rectorate without leaving any room for the others. Additionally, the data indicate an increased rectors' power with regard to the new academic staff recruitment process. The evidences seem to point out that a certain degree of the power exercised by the rector is gained in a de facto basis. However, rectors and university chancellors interviewed confirmed that they are planning to decentralize the university financial management, while the faculty representatives were very skeptical concerning those statements. Based on the above, we noticed a sharp hierarchy which was based on a de facto logic. The hierarchy was sharper with regard to financial and administration matters, while less sharper with regard to academic issues. But as several respondents stated, the financial autonomy is interconnected with the academic freedom.

### ***Accountability***

We have observed that the extension of the institutional autonomy has been balanced by the reinforcement of the accountability mechanisms. Thus, the law introduced for the first time an Administrative Council which has 49% of the membership from outside the university. Furthermore, the council duties cover key issues as finances, administration and properties, toward which government has less control than before. Secondly, the reinforcement of the role of the university chancellor, who, according to the 2007 law, has more sovereignty than before, can be considered as another accountability mechanism. Thirdly, the introduction of the competitive grant, according to which universities should compete based on projects, increases the pressure for more accountability toward the government. Fourth, according to the law, the university

should submit several reports to the government. Furthermore, the law clarifies that the financial administration rules that apply to universities are the same as in all public institutions and agencies in the country. Based on the document analysis, we have noticed two types of auditing which universities must go through: first, the external audit which is conducted by the State Audit Agency. And second, the internal audit which is exercised by the Ministry of Education and Science via its specialized audit unit. The Ministry of Education and Science has also the duty to conduct at least every three years a check regarding the legality of the higher education institutions activities. We believe that the existence of all these audit processes show the low trust that exists from the side of the government.

With regard to the vertical and horizontal accountability, we observed that the vertical accountability is much more present in the law compared to the horizontal one. We noticed that all the lay members in the Administrative Council are appointed from the Ministry of Education and Science, and furthermore, all of them happened to be government officials. However, the 2007 law expects universities to be transparent with regard to the general public, especially what regards to potential students. Universities should prepare and submit to the government several reports with regard to its performance and financial management. However, the law does not foresee any clear mechanism on how less traditional stakeholders might participate in the university decision making process. The only horizontal participative accountability mechanism (if it is accurate to consider students as stakeholders) is the collegial decision making bodies, both in the institutional and faculty level, in which students are represented.

The interview data indicate that university and faculty leaders did not appreciate the accountability instrument represented by the university AC. As an illustration, one of the faculty reps told us that he desired that the council should not have any monitoring power, but instead, it should have a consultative role. Furthermore, one of the rectors was very critical with regard to collegial bodies. He thought that collegial bodies are not appropriate in the current processes the university was undergoing. Such position can be considered as a desire to have less accountability, and, as a consequence, more power. However, we should acknowledge the fact that big universities have difficulties in being enough transparent, and, sometimes, too many collegial bodies might hinder the conditions for an appropriate executive action.

### ***Executive Leadership***

The intention to strengthen the steering core of public universities seems quite obvious in current higher education law. The upper organization level executive capacity is reinforced through the introduction of the Rectorate, the Administrative Council, the strengthening of the university chancellor role, and the increased legitimacy for the rector. However, we have observed a kind of contradiction between the law intentions and the instruments promoted. On one hand, the law seems to reinforce the executive leadership, but on the other hand, it extends the democratic mechanism which determines the main executive leadership. We view this as a contradiction because executive leadership, in our opinion, means authorities who are not strongly depending on the interests of the groups operating inside the organization, thus having enough freedom and authority to foster common priorities and advance efficiency. But in such case when rectors and deans are elected by the university community, their leadership is obligated to reflect the balance of the internal community interests. Therefore, the organization gains a strong political dimension which encourages bargaining and coalitions, and, as a consequence, the decisions are very likely to reflect such process. In such organizations, the executive leadership cannot be developed properly. The leadership risks to be transformed in a simple mirror which reflects mainly the organization internal groups' interests. However, this might not be entirely true since we mentioned earlier that the rector was able to accumulate a lot of power informally. The strong political legitimacy that the current rector has provides him with the ability of a relative control of the multiplicity directions of the interests promoted by a quite large and diverse community. Thus, we believe that the relationship between the rector and the different groups inside the university reflects a strong interdependency feature. In our opinion, such interdependency has a twisted effect with regard to the university executive leadership. On one hand, it strengthens it because legitimacy provides conditions for action, while on the other hand, it might weaken the independency of the leadership action. We believe that the relation between the above variables depends on many factors including the institutional context.

### ***The process of change***

The process of change is a crucial issue in our work. We have seen along the document analysis and the interviews narratives that the process of change does not have a single route. Policy makers' plans cannot be fully executed in their pure nature. The policy implementation based on

a top down approach is rarely the case. The higher education environment is quite complex with many power centers dispersed all over the system and highly interpretative. A comparison between the document analysis findings and the data gathered by the interviews suggest that some of the governance arrangements are not being implemented as it was formally required. The same can be confirmed with regard to key intentions that legal documents seemed to aim. Some of the concerns addressed by government representatives came up to be true. In two of the universities investigated, the Administrative Council did not exercise all the competences assigned by the law. While in the three universities under focus, the AC was quite likely to be controlled by the executive leadership of the university via the internal members who had the majority of the votes in the council. Thus, the AC could not perform completely its duty by risking in more than one occasion to become a rubber stamp for decisions taken elsewhere. Moreover, both faculty representatives complained a lot about a misinterpretation of the law, according to which, the rector was exercising too much power. Both groups (government officials and faculty representative) were quite concerned about the centralization of the financial management in the upper level of the organization. It seems that the financial autonomy did not result in a financial decentralization management inside the university. The new law promoted an upgraded role for the university chancellor. However, the chancellors interviewed were quite motivated and preoccupied with regard to their responsibilities, but the fact that they were placed in between a strong university leadership and an unreformed administration may hinder their potentialities.

On the other hand, some of the complaints addressed by many university representatives with regard to the government role seem to be also justified. The government has still some key competences that restrict the university ability to determine their own affairs. Some of the competences are justified by the lack of university governance and management skills, but others, like the decision about the student enrolments size or some financial management rules, seem to be less justifiable. In addition, the government in almost 100% of the cases appointed government officials to fill the seats of the external members in the Administrative Council. The high presence of the government delegates (some of them might have come from other sectors than government institutions) made universities to feel uncomfortable and sometimes even assaulted.

All the uncertainties which seem to accompany the process of the current law implementation might be justified by the argument that implementation is particularly difficult if a reform requires the active participation of the reform target group (Brunsson, & Olsen, 1993). In fact, the current higher education law requires the full participation and commitment of the policy target group. The law does introduce new governance arrangements which, in fact, aim to influence the university institutional values like knowledge applicability, service orientation, management, performance measurement, strategic planning, quality assurance, and so forth. Thus, we believe that change is a process which cannot be totally predicted, and furthermore, seems to be gradual. We find the below statement very appropriate to our context. *“We suggest therefore to add the idea of gradual change where new structures and values imposed by reforms are grafted onto established arrangements in a process of meandering and sedimentation that gives polices and institutions their character of complexity and ambiguity”* (Bleiklie & Marton 1998, cited in Bleiklie et al., 2000, p. 18). The process of sedimentation is slow, while the current higher education law was signed in 2007 and started to be applied in 2008.

What we could not investigate at all was the lower layers of the organization. Our research was not focused in organization levels like faculty, basic unit, professor or student. Thus, we cannot say anything about the interesting statement which argues, whereas some aspects of higher education, such as ideologies or formal organizational structures, may change drastically in a relatively short time period. Other aspects, like professors’ or students’ behavior, may change more slowly and gradually (Bleiklie et al., 2000, p. 19). However, based on the information we have so far, we can assume that what is happening in Albania is similar to the “picture presented” by Rasmussen (1998, p. 198) research with regard to the Danish case. In his conclusion, he says that the research shows an institution slowly changing from a more participatory collegial structure to a more hierarchical and managerial structure. This transformation appears slow and to a large degree dependent on informal traditions and values imbedded into the existing organizational culture.



### *University ideals and the system governance mode*

Both document analysis and interviews confirm that the public universities investigated by this research do represent a hybrid case with regard to the institutional type. Our analytical tool suggests four types of universities: the community of scholars, the instrumental university, the democratic institution and the corporate enterprise university. We did find elements from all the above features. Thus, there are several collegial bodies operating in all the organization level. So, there are four collegial bodies in the upper part of the university, three collegial bodies in the faculty level, and one collegial body in the department level. Academics do have the majority in all the collegial bodies, therefore their values and beliefs have a strong chance to become the basis for every important decision taken within the university. In few words, many important academic matters are controlled by the academics themselves.

However, we did distinguish an instrumental dimension as well. Universities are considered important instruments with regard to society and economical development. Legal documents and interviews with government representatives indicate that the university is expected to become a service institution, thus serving to external constituencies especially to governmental policies. Additionally, the heavy reliance of the new funding scheme on student numbers, instead of prioritizing the study program context and the costs relating to it, shows that the governmental approach sometimes represent the opposite of the institutional perspective.

Moreover, we have identified a strong democratic dimension inside the three universities we investigated. Every authority or collegial body members, except the external members in the AC, are elected by university internal groups. Thus, the department heads, faculty deans, rectors, senate members, internal members of the Administrative Council are elected. However, the democratic election mechanism seems to encourage time to time political processes within the institution. Thus, in such cases when important issues are at stake, particular coalitions may appear, which in turn determine the voting process in the collegial bodies. Nevertheless, we believe that the Albanian universities do have other specificities which may encourage even more the political processes within the institution. Since there is almost no academic labor mobility within the public higher education system, the institution in which the academic works becomes the only job place and carrier opportunity for him. Furthermore, the dominant characteristic of the public university is the teaching activity which is argued to enhance the local

identity of the knowledge worker. It seems that both these factors encourage power struggle practices within the institutions. In the same time, such circumstances seem to strengthen the informal hierarchy and subordination between academic leaders and their powerless colleagues. Therefore, the election campaigns are very intensive and engage almost every academic and administrative staff (people whose interests depend largely by the university leadership).

The last institutional feature we could identify was the corporate enterprise dimension. Both the legal documents and the interviews show the intention to strengthen the university steering core. The university has to design and act based on a common strategy. There are signs of an internal integration. The current university has within its governance structure a collegial body in which part of the members come from outside the university. The deepening of the institutional and financial autonomy is another sign which confirms our opinion. Furthermore, the strengthening of the managerial nature of the chancellors may be added as another argument. Finally, the intention to modernize the university administration and the inclusion of competitive elements within the higher education public sector seem to contribute to a corporate enterprise dimension. However, we have to emphasize here that the corporate feature indicated by our research did reflect a strong executive leadership and a weak governing board (Administrative Council). Furthermore, we observed that practices like leadership and administration were quite legitimated by the institutional culture. In the opposite, management seemed to not be a strong value with regard to the university practices and therefore quite underdeveloped. We can conclude that, the management as a philosophy and a method was almost unknown from the practice.

With regard to the system governance mode, we believe that the current Albanian higher education governance mode is highly determined by the government and the academic oligarchy (meaning senior professors and academic leaders). As we have shown in earlier chapters including this one, the government controls important decisions with regard to the higher education system. However, universities have received more autonomy than before, and thus these institutions via the academics, which are the most powerful group within the university, determine many other issues especially what regards academic matters. Furthermore, we have noticed a reconfiguration of the government role. The government looks now more as an

instrument with regard to policy making and policy implementation than as an administrator of the system. So, the government controls some of the most critical variables within the system but it does not have as much direct role in the system as it used to have. The academic oligarchy is organized through institutions especially now that the university steering core is reinforced. Thus the higher education institution is added as a factor into the academic oligarchy variable. In addition, the current system has two other buffering bodies, one national and another local, which seem to help the coordination between the government and the higher education institutions. We explained in the forth chapter that that the system steering triangle, which is part of our analytical framework, contains a third variable which is called the market. With regard to this variable we may say that, the student market seem to be still a weak factor, since the private sector does cover only 10% of the general enrolments. Although within the public higher education sector there is an informal status hierarchy among universities, in practice these institutions seem to not compete for students. The same case is observed with regard to the knowledge worker market. There is somehow a competition between public and private universities concerning the best academics. However, the private sector is not big enough in order to transform such competition into a coordination factor within the higher education system. Moreover, we did not witness any competition for academics within the public higher education sector. Additionally, as far as we understood by both, the legal documents and interviews analysis, there is no market within the higher education system regarding the scientific research in general and contract research in particular. If we regard the market variable as strictly university-business cooperation, we may say that this variable is still not a factor. The Albanian economy is still under a process of maturity, and thus the participation of the market variable into the higher education equation seems to belong to the future.

### ***Conclusion***

The higher education reform in Albania is ambitious and full of “great expectations”. The 2007 higher education law introduced new governance arrangements and more university autonomy. The implementation process seems to travel slowly and not always in the same route. The research reveals some differences among the investigated universities with regard to the new policy implementation degree. The research confirms once again that the university is a highly interpretative environment with regard to policy meanings and implementation. Some of the

laws' arrangements were still under discussion and interpretation by the time we organized the interviews. The fact that many universities statutes did not pass the legality review of the Ministry of Education indicates the differences in interpretation between the government and the higher education institutions. However, many elements foreseen from the law did start to function, although partially. The overall investigation confirms that universities find themselves within a process of hybridization with regard to their institutional characteristics.

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