

Planning Agencies and Grants Committees in Higher Education

—Possible Direction of Development for The Korean Council for University Education—

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Preamble

This paper is an attempt to indicate, in broad terms, the issues which confront national bodies which are set up as an intermediary between government and universities, to assist in the formulation of directions of university development. It is intended to be complementary to those provided by Dr. Fowler and Dr. Waitt. The paper has as its focus the nature of the interface between such bodies and the institutions, and will concentrate upon the managerial aspects of this interface, drawing on examples and experiences from UK, USA, Latin America, and European countries. It is emphasized that the paper merely attempts to indicate the primary questions. Without a detailed knowledge of Korea and KCUE, it would be presumptuous to go further at this stage, though the author would be honoured

to do so in future.

The Role of an Intermediary Body

1. There are many bodies in the higher education world with roles defined in ways not too dissimilar from KCUE. The University Grants Committee structures in, for instance, UK, Australia and New Zealand, were set up very much as a compromise between the protagonists of academic/institutional autonomy on the one hand, and the apostles of public accountability/efficiency on the other. The National Board of Colleges and Universities in Sweden, and the Commissions for Higher Education or State Coordinating Boards in many states in the USA fulfil similar roles. Many such agencies are not conceived as departments of state administration as such, but more as "quangos": quasi non-governmental organizations. The terms of reference of the UGC for instance are:

"to enquire into the financial needs of university education in UK; to advise the Government as to the application of any grants made by Parliament towards meeting them; to collect, examine and make available

information relating to university education throughout UK to assist in consultation with the universities and other bodies concerned, the preparation and execution of such plans for the development of universities as may from time to time be required in order to ensure that they are fully adequate to national needs."

Other bodies quoted would possess similar terms of reference, though the US Commissions would tend to be more executive in legal status, and style of operation.

2. The justifications for such a position as described above are that:

- * protection from undue exercise of political authority is a prerequisite for freedom of thought in universities.
 - * a filtering mechanism for political priorities is necessary, especially in conditions of financial constraint.
 - * Government, per se, should not seek to influence the sums of money paid to any individual university, nor to attach conditions to grants.
 - * the functions of government should be to define a problem or a challenge to the university sector, and leave it to a collegial organisation operating through "feel", sensitivity, informality and consultation, to arrive at "reasonable solutions".
 - * academic questions are best left to academics, and in turn they require freedom to determine curricula; to undertake research; to admit students; to examine; and to make appointments according to appropriate norms.
 - * decentralised management is probably a more effective way of managing a highly fragmented and idiosyncratic organizational structure than a closely controlled centralised approach.
3. However, it has been apparent over the last

10 years that many of these underlying assumptions are under siege. The principal factors seem to be as follows:

- * national economic/financial retrenchment, which poses government some serious questions of resource shortage, priorities, resource mobility and measurement of efficiency and effectiveness in order to achieve "better value for money".
 - * universities themselves in UK and New Zealand, have requested UGC, for example, for assistance in guidance in developing means of coping with retrenchment.
 - * some governments have made value judgments on the relative merits of certain disciplines, and, by a variety of financial and other levers, seek to shift resources from e.g. sociology to engineering as a matter of political belief.
 - * generous planning horizons based on e.g. a five year block grant period-which enhances considerable operational autonomy-have been made unworkable because of financial and political uncertainty. This forces such bodies into more continuous, day-to-day contact (or is it interference?) with universities.
 - * the quest for "equity of treatment" gives rise to standardization, formulae for resource allocation and the demand for closer control over costs and standards of academic provision, facilities and buildings alike.
 - * periods of national crisis provoke periods of national introspection, which in turn tend to lead to a cry for "national plans/strategies for x, y or z". It is difficult for a relatively low key, informal body to preserve its style of operation given such environmental turbulence and expectations.
4. Consequently, a role change for UGC type organisations is perhaps inevitable, and may move these organizations into different roles,

positions and practices, for example:

- * an advisory role to governments or institutions becomes more of an executive, administrative role, where decisions emerge as if by fiat. Universities are involved in the discussion, of course, in the way of delegations, or visits by committees, but individual institutions do not play a part in the decisive decision; nor do they negotiate that decision.
- * agencies tend to become implementation mechanisms for policies agreed elsewhere, i.e. the macro level political policy on the scale of higher education, or the size of institutional sectors therein.
- * they are forced into positions of having to choose between various options-often without the advantage of a coherent national plan or set of priorities from which to derive criteria.
- * they have the unenviable task of deciding whether to use input measures, output measures or a combination of each to reach decisions, and an even more unenviable task of trying to define "academic excellence" in a way which can be used operationally.
- * they have to determine whether the "comprehensive" multi-discipline university needs preservation and extension, or whether "centres of excellence" for particular subjects should be encouraged-and what incentives/disincentives should be provided.
- * they are challenged by the dilemma of whether to be dirigiste; to allow the individual university to go its own way in relation to its internal preferences; or to let the market place of student and client preference determine how resources should fall.
- * they may be forced into positions of rewarding the thrifty and penalising the profligate.
- * they may be increasingly forced into dialogues and joint arrangements and understandings with other funding bodies, as a recognition

of the realities of life.

5. Not all, but many such bodies are composed of senior university personnel with a few members from other educational sectors and industry, supported by professional staff who may well be government administrators, either in permanent posts or on secondment. In UK, the collegial nature of the UGC was traditionally seen to be an important characteristic. The academics were seen to be making responses to government initiatives through a secretive confidentiality which dispersed justice and resources with "reasonableness". At a time of difficult decisions, it is less easy to retain these qualities when universities are in an essentially competitive position. Demands for more open administration, with explicit information, criteria and conventions are heard, and the "unrepresentative" "unaccountable" nature of its membership is attacked. In short, the credibility of such bodies becomes open to question at a time of conflict and ambiguity.
6. Finally, we should not forget that, given the nature of the university its internal fragmentation; high departmental and individual autonomy; weak market feedback mechanisms; relatively weak middle and senior managements; relatively long lead times for development etc. -the chances of such a national agency being able to compel swift decisions in a given direction in universities are not strong. There are very considerable limitations to the impact of any planning process in achieving change, and institutional resistance may be high.

Operational Issues of The Relationships Between National Agencies and Institutions

It may be helpful to identify and discuss very briefly some of the contemporary issues in relationships between agencies and institutions. This is by no means an exhaustive list, and the items are not placed in any particular order.

1. In a democratic country, an agency is unable to control-nor should it attempt to-all the variables and activities relating to an institution. Nonetheless, it has to define what are the critical areas in which it wishes to make an impact on universities and be quite clear why. The answers to this question will determine precisely what information the agency needs to collect; how and when to collect it; and what use to make of it. The answers will also determine its style of operation-bureaucratic or organic; open or closed; low key covert or high key overt; aggressive or sympathetic; active or passive.

In most countries there is a choice to be made as to whether the university system is to be heavily planned as in, for instance, the Federal Republic of West Germany, or whether it should be open to market forces to determine all manner of decisions, as tends to happen more in USA. The FDR model involves agencies in very detailed decisions on student targets, institutional budgets, discipline range, procedures etc., whereas the USA model is more heavily based on full-cost fees, student consumer choice, and student targetting and definition of institutional mission is much much more left to the university. An agency functioning

in USA would thus be relatively less regulatory than its FDR counterpart.

An agency may not have full control over university monies anyway, given the research dollar and university business office syndrome in USA, or the overseas student income in UK, each of which is beyond full agency control. Consequently, well-laid agency plans can be thwarted by entrepreneurial action by the university.

2. Agencies are clearly in the business of allocating resources to universities. Given that public money is not dispersed in an ad hoc fashion, some institutional/higher education framework is necessary for planning resource allocation, in a visible and logical manner. Government will determine what the quantum should be. This may be open to negotiation with the agency which is usually pressing for (a) more and (b) certain important priorities. The credibility of an agency with its university's constituencies is thus partly dependent on how much money it can secure from government, as the UK experience recently shows.

Few will argue that equity in resourcing a diverse set of institutions can be found in treating all institutions alike, though, to be sure, there are abundant examples of technical, quantitative criteria as a basis for dividing up the quantum. In these cases, we enter an information quagmire. Questions arising here include:

* should allocations be based on student numbers? If so, what is a student? How should full-time and part-time undergraduate; full-time and part-time postgraduate; short courses students be weighted relatively? When should such measurements occur?

* should allocations also be based on staff-student ratios, thus giving an unit cost as a measure of institutional efficiency? If so, what constitutes a staff member, bearing in mind full and part-time staff, variable research, teaching and administrative loads etc.

Such systems will normally give a grant per full-time equivalent student, or on a staff-student ratio basis, but clearly many hidden value judgments and assumptions exist therein, which may run counter to declared educational policy. For instance, continuing adult higher education is alleged to be a key element in government policy in UK yet no particular resource allocation incentives exist for universities to develop this category of work.

A further problem in quantitative based resource allocation is that it is often unclear what targets universities are being set, if any. The UGC in UK has allotted target student numbers to universities, but many institutions are uncertain as to whether these are targets or ceilings, and what the political and financial consequences will be given a shortfall or excess of student numbers. The ground rules thus need to be clear.

3. Agencies would seem to be in the business of using academic planning for:

- * distributing scarce resources amongst competing claimants.
- * securing a distribution of resources from "less deserving" to "more deserving" institutions or departments.
- * preserving and extending educational excellence.
- * giving effect to subject/regional priorities.
- * stimulating new developments and general vitality.

All these positive agency roles clearly call for selectivity and discriminatory approaches which necessitate complex judgments using reliable information and a range of criteria-fairness, educational, political, financial, social etc.

4. There are many points of entry into this arena, but the literature indicates that they may be 3 main dimensions of differential funding agencies may use:

- * using Course Levels assumes that variations in class sizes, faculty contact have workloads, and instructional expenses will be apparent for undergraduate and postgraduate provision.
- * using Discipline Clusters assumes that some subjects need more expensive laboratory based expenditure and possibly different staff-student ratios than classroom based subjects.
- * using Types of Institutions assumes a diversity in the mission, modes of operation, and therefore expense of say, an elite research university compared with one geared up for the mass traditional teaching market or distance learning through the media.

It is clearly possible to use these 3 dimensions to develop a view on differential funding needs, though whether any given academic community has the willpower to generate such consensus is another question: Moreover, it is possible to use these 3 dimensions to allocate resources. Some agencies with reasonably competent management information technology (notably in USA, Germany) are able to construct means/simulations to consider all 3 dimensions simultaneously as an interactive planning model, so that the consequences of policy alternatives can be identified at an early stage. In this context, discipline planning centres may be a good focal point to start statewide

comparisons.

5. This planning technology, of course, does not exclude close attention to more qualitative considerations when attempting to assess the "worthiness" of institutions for more or less expenditure. Many subjective considerations enter in here at 2 levels:

* subject or discipline level: whilst in UK universities, a blockgrant is given to the university as a whole for subsequent redistribution to departments, the last UGC allocation made it very clear that its award to a particular university was based on fairly explicit recommendations on the growth, steady state or contraction or cessation of certain subjects. These recommendations are justified by letter on many grounds, but estimation of departmental competence by UGC subject committees vis a vis other departments is one factor. UGC has never made explicit its criteria, unlike many US state agencies which have made programme review an open, peer group activity whether concerned with eliminating programme duplication; assessing new programmes or evaluating the effectiveness of existing programmes. Many criteria may be used including, over a 5 year period: applications profile; graduates as a % of entrants, grades; cost per graduate; faculty workload; programme quality; research output; publications output; market situation for (a) discipline (b) graduates etc.

* institutional level: the health of an institution is more than the combined health or otherwise of its various subunits, since one has to take into account its overall vitality, goals and mission, proposed developments and range of existing activities in relation to those goals; financial viability; community

relations, corporate reputation; adequacy of structure and processes etc. Thus, we observe the development of institutional visits and institutional profiles by state agencies to ascertain, perhaps on a 5 year basis, institutional worthiness for further investment and perhaps more or less autonomy.

One of the critical concerns for an agency at both discipline and institution level is that of basing a decision on an accurate perception of its strengths and weaknesses. This cannot always be gleaned from written data, which, experience shows, is often out of date, inadequate or irrelevant to the issue under consideration.

6. Arising from this, it is a common feature among funding agencies to request detailed development plans and strategies from an institution, to which the agency reacts, and attempts to reconcile with other institutions. This poses a frequent dilemma: is planning of this kind a top-down or bottom up process? Ideally it is both: a reiterative process. One should perhaps mention the growing practice of agencies during a period of contraction requesting from institutions a statement of what they would do given alternative resource scenarios: e.g. steady state, -5%, -10% etc. This does not seem to have elicited much in the way of open, fundamental thinking from universities, whereas an actual 10% cut does!

Again, we should also emphasize that development planning is often of limited value in itself of achieving real institutional change, since

* much of the content does not affect the educational process.

* it is often a cosmetic response to the public accountability rituals.

- * it is often unaccompanied by fines or negative consequences for non-achievement, or a bonus or good consequences for achievement. (Holland is a good exception).
- * accompanying support resources to get over difficult problems are often missing. (The UK UGC has just provided additional funds for "restructuring" purposes, i.e. additional appointments to stimulate decaying departments with ineffective professors).

7. Finally, it is a common dilemma for funding agencies whether to provide a common block grant which will provide for teaching and research, the division and proportions being left to the university, or to provide two separate block grants. In the former case, the purpose is to encourage cross-fertilization between the two, to nourish research to grow, and then hope that researchers will go outside agency funding to research councils or foundations, who, of course, are highly selective. University reservations on the second alternative centre on the fact that if a research budget is exposed, it is susceptible to being butchered by philistine governments. There is obviously no ultimate answer to this dilemma.

CONCLUSION

The paper has only touched on some of the major issues surrounding UGC/KCUE type agencies in various countries, and the different ways in which the issues have been approached. Perhaps the central theme is that agencies should be fully aware of what effect their style of operation and substantive policies and

procedures actually have on institutions, for example:

- * do agencies systematically evaluate the effectiveness and consequences of their policies, and modify those policies and processes accordingly?
- * do they appreciate that it is extraordinarily difficult for a collegial organisation such as an university to respond meaningfully to things like resource scenarios, and to develop the ability/will to inflict internal change on colleagues?
- * do they appreciate that excess secrecy and confidentiality damages genuine reciprocal relationships?
- * do they appreciate that much of what passes for public accountability is sheer ritual and has little to do with the effectiveness or efficiency of public higher education?
- * do they recognize that planning has distinct limitations as a technique of organizational and educational change?

Clearly, cultural variables will colour responses to these questions, but the important thing is a due sense of modesty and realism about what can be achieved: you cannot push a rope!

It should also be emphasized that such agencies are inevitably undertaking comparisons which may be a very invidious process, and one which creates considerable insecurity in institutions. Mutual trust and sensitivity between agency and universities is thus a great asset, but it cannot be created through legislation. *