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Governance Structures and Decision Making in Russian Higher Education Institutions

The key research and education policy decisions made by institutions of higher education are determined by the governance model in place. Classifying such models and analyzing their basic characteristics, along with studying how a particular model determines behavior in the educational market, are becoming key elements in analyzing an institution's strategy. This is necessary to understand how a higher education institution should be organized to achieve certain goals. From our point of view, each model is characterized by a specific structure of the transaction costs encountered by various stakeholders within the institution. Trying to minimize these costs, the institution selects the model that is best suited for its market segment, external market conditions, and the resources at its disposal. To a significant extent, governance structures determine how decisions are made, who makes them and for what

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purpose. The evolution of the external environment and changes in external and internal demands that various stakeholders make on the institution force it to transform its goals, while at the same time, its governance structure is changing.

Governance structure of higher education institutions

The first studies devoted to questions of decision making within higher education institutions came out in the 1960s. The studies described the situation that had developed at that time in the United States (only a few articles pertained to other countries). For instance, L. Mets and M. Peterson¹ note that changes in the number of publications in this field are directly related to structural changes in higher education. Universities were getting larger, the number of applicants was changing, and conflicts were arising, both in the student environment and between the faculty and unions, regarding changes in the models and amounts of government funding, and so on. Mets and Peterson link the beginning of this whole field of study in the 1960s primarily to the growing size of universities, the increasing importance of higher education as a social institution, and the rise of government funding.

In the past thirty years, many other countries have exhibited growing state interest in the governance of higher education institutions. As J. Mora points out,² this is due, among other factors, to a change in the relationship between the government and higher education institutions. Mora notes that at the end of the twentieth century a trend toward greater autonomy of universities was seen in a number of European countries with traditionally high levels of state control. On the other hand, in countries with high levels of autonomy (Great Britain, the United States) government intervention became more pronounced.

Among the models of higher education governance discussed in the literature, four main types can be distinguished: collegial, hierarchical, political, and anarchic (see Table 1). In the *collegial* model,³ decisions are worked out jointly by all of the faculty and power is decentralized. In the *hierarchical* model,⁴ decisions are made by an individual (administrator), and power is centralized.

Table 1

Basic Characteristics of the Four Models

Characteristics					
Model	Power	Coordination	Goal	Potential shortcomings	Potential advantages
<i>Hierarchical</i>	Centralized; in the administration's hands	By hierarchy	There is a goal set by the administration	<ul style="list-style-type: none">• Dissatisfaction at lower levels of the hierarchy• Feedback problems• Decision making based on the administration's own interests	<ul style="list-style-type: none">• Quick decision making• Prompt response to external changes• Clear governance structure
<i>Collegial</i>	Decentralized; distributed Among teachers	General norms and standards	Common goal shared by all teachers	<ul style="list-style-type: none">• Lengthy decision making processes• Not clear exactly who is responsible for decision making• Decrease in time spent directly on teaching; conservativeness• Impossibility of making an unpopular decision• Conflicts may occur	<ul style="list-style-type: none">• Low level of dissatisfaction• Absence of conflicts• Selected decision is well-grounded• Low probability of error
<i>Political</i>	Decentralized; in the hands of certain interest groups	Use of power	Individual groups' own goals	Long, difficult decision-making process; protracted wars	Clearly expressed diversity of goals, so the government can support those groups whose goals fit society's interests
<i>Anarchic</i>	Decentralized	None	Many contradictory and vague goals	Frequently no connection between decision that is made and result	Unexpected, nonstandard decision that provides a way out of a crisis may occur

The *political* model⁵ is characterized by decision making based on negotiating strength and decentralization of power. With *organizational anarchy*,⁶ decisions are made rather arbitrarily.

The models differ in levels of coordination and motivation costs involved. Coordination costs are those associated with working out a final decision and informing each stakeholder about the decision. Motivation costs are those associated with control. In addition, each of the models has a different concentration of decision-making rights: from completely centralized to completely decentralized decision making.

How decisions are made

Collegial model

One of the first studies of university governance examined the collegial model. J.D. Millett and P. Goodman described in detail the collegial method of decision making in a university. In this model, decisions come about as a result of long negotiations among the faculty. The main idea is that the faculty is sufficiently competent and interested in governance and can govern the university's operations themselves. They do not need a strict hierarchy to coordinate their actions. In such an organization, power is distributed among faculty representatives who are chosen by the faculty at large. One of the shortcomings of this model is that the decision-making process can take a long time and consequently will take a lot of time away from the faculty's primary work. Thus, the costs of seeking a common decision may be high. But on the other hand, the goal of such an organization and the decisions made by it are common for all the faculty. In this case, operations within the organization take place based on generally accepted norms. Consequently, the motivation costs are low.⁷ With some recent changes, the collegial approach now implies a model in which all stakeholders—the faculty, administration, and students—participate in governance and have significant rights, while the decision-making process is of the same collegial nature.

A purely collegial model of governance was typical of medieval universities, that is, gatherings of scholars who joined together for

the purpose of creating and transmitting knowledge (research and teaching). In essence, the medieval university was a professional partnership. Such universities had a small staff and were governed directly by the faculty. Although there were leaders among them, decisions were made collectively. Thanks to the small number of faculty and their shared norms and values, decision-making costs were low.

The structure of a university gradually grew more complicated. Administration took more and more time, and professionals who worked only in management became necessary. Delegation of authority (assignment of duties) began, but to this day it has not been fully realized everywhere. Until recently, it was believed that staff members of an institution of higher education should teach before taking an administrative position. But more and more administrators appeared abroad who had little or no teaching experience. L. Goedegebuure and H. de Boer⁸ emphasize the criticism of the traditional collegial model in society, for the slow pace of decision making, and for its focus mainly on internal matters.

Hierarchical model

Stroup contended that a higher education institution has characteristics corresponding to Weber's description of a bureaucracy. Among them we can single out the presence of a hierarchy, delegation of authority, and uniform rules for the institution's operation. According to this model, the organization's goals are clearly specified, and all of the most important decisions are made by the leadership.⁹ In this case, power is concentrated in someone's hands (usually the administration's). Decisions are made quickly. Coordination within the organization is accomplished through a hierarchy, so the coordination costs are low. However, problems may arise at lower levels of the hierarchy in carrying out the decisions that have been made, so the motivation costs are high. For instance, Carlisle and Miller point to the faculty's dissatisfaction if the administration makes unilateral decisions, ignoring their opinion. But a hierarchy may be efficient in performing purely administrative tasks. R. McCormick and R. Meiners¹⁰ compared the collegial and hierarchical models

and concluded that the quality of educational services is lower in institutions of higher education with collegial decision making.

The next stage of this model's development involves the concept of a professional bureaucracy. In this case, it is realized in a milder form, in which decisions are made by a faculty group.¹¹

Political model

In the 1970s, the political model described by J. Baldridge¹² began to be used to explain the governance structure in higher education institutions. He compared this model with the hierarchical and collegial ones. Baldridge's idea was that existing conflicts and the stakeholder opportunities for negotiation need to be taken into account when analyzing governance. The faculty organize coalitions, in the hands of which power is concentrated. Coordination is accomplished based on power. Rather than a common goal pursued by everyone or imposed on everyone, the "personal" interests of individual coalitions are realized. In such situations, decisions are made based on negotiations. The costs of seeking a decision are high, since the decision-making process can be long and may require large expenditures. Decision making takes place at many levels of the organization, depending on the nature of the problem, the interested groups, and kinds of conflict. Force has to be applied to back up the decision that is made, so that motivation costs are high. The political model is focused on conflict resolution procedures. J. Pfeffer and G. Salancik¹³ concluded that the political model is well suited to describing the process of dividing up the budget when resources are scarce. They compared the bureaucratic model with the political one. By the bureaucratic model, they mean the presence of clear, comprehensible instructions for dividing up the budget in order to achieve the university's stated goals. By the political model, they mean clear instructions for the purpose of supporting coalitions and their goals.

Anarchic model

One more model also became popular in the 1970s—that of an anarchic organization. The authors of this approach, M. Cohen

and J. March, found that the main traits of organizational anarchy are characteristic of a number of universities. Contradictory goals and preferences are prevalent in higher education institutions; there is no unified structure of preferences. Most stakeholders do not fully comprehend the relevant organizational and technological processes. Third, the faculty's participation in various aspects of the institution's operations (as measured by the amount of time and effort) fluctuates. In such an organization, decision making fairly often occurs randomly. There is no clear governance structure; coordination and motivation costs are considerable. Many researchers note that such a model is characteristic of universities headed by a weak leader.

We have examined four general models. But in many empirical studies of decision making, such as, for example, the one by S. Mignot-Gérard,¹⁴ no single model can be observed in pure form. Naturally, various decision-making mechanisms coexist in real-world universities. The hierarchical model most accurately reflects the way that administrative organizations, including higher education institutions, function, especially in the absence of serious problems. According to the collegial model, an educational institution can develop successfully if there are no significant disagreements, and a number of issues can be resolved administratively. The political model is realized primarily when stakeholder interests are mutually contradictory, if problems arise that cannot be solved administratively or collegially. As we see, these three models are by no means mutually exclusive. Each is focused on different aspects of the institution's operations. At the same time, in some universities organizational anarchy can be found in certain stages of their development. Thus, different models of decision making can coexist in the same university.

Who participates in the governance of higher education institutions?

We have examined various decision-making mechanisms; we now look into exactly who makes these decisions. In addition to the formal definition of these mechanisms, the level of participation

of various stakeholders within a higher education institution and their attitude toward institutional governance are also important, since this can affect the decisions that are made. Institutional stakeholders include students, the faculty, and the administration itself, as well as various associations, including associations of students (such as student councils) and faculty (such as academic councils and unions). The question arises: why should or can anyone other than the administration, whose duties naturally include governance, participate in the governance of a higher education institution? The main argument in favor of faculty and student participation is that the institution also belongs to them, and they are significantly affected by the decisions that are made. If a common decision is made by all of the stakeholders, then they are all more likely to follow it. The main argument against involving the faculty and students in decision making is how long it takes to reach a common decision. The extent of stakeholder participation varies considerably from one country to another, as well as frequently within the same country.

Student participation in governance only recently began to be described in the literature, and, in most countries, this participation is slight. The role of students in governance is theoretically unclear, although students are, of course, an integral part of higher education institutions. Several researchers¹⁵ believe there are objective reasons why students should not participate in the governance of higher education institutions: they are not in a position to stand up for their own interests, and they do not have sufficient knowledge. Moreover, student participation may reduce academic standards, since their goal is often to get a diploma with the least possible effort. Students themselves frequently do not want to participate in governance. However, there are also arguments in favor of their participation. For example, students are experts on a number of questions; their opinion can be useful in assessing the faculty and the courses that are taught. Participation in governance can likewise be a useful experience for them.¹⁶

The faculty's role in an institution of higher education is significantly more important than that of the students, but their level of participation is frequently not very high and differs significantly

on various matters. For instance, one may assume that on questions of research and educational policy the faculty should take part without fail. Among the arguments for involving the faculty in governance are the following: their high level of competence, dependence of their actions on the decisions that are made, and their interest in carrying out these decisions. It has been noted that the faculty themselves may be dissatisfied when the administration is not interested in their opinion.¹⁷ At the same time, some researchers argue against faculty participation in governance.¹⁸ Faculty interests are not always tied to a specific institution, so long-term strategic decision making may not be their aim. Faculty may not want to make difficult decisions, for example, to fire a colleague. Moreover, undesirable conflicts may arise among the faculty regarding the decisions to be made. In this case, participation in governance involves certain costs, which may affect their teaching.

Most studies on this subject point to substantial faculty participation in governance in European higher education institutions. But they also show that participation levels vary from one country to another. Moreover, in analyzing academic governance structures it is important to understand faculty attitudes. A study carried out in Europe by D. Williams and associates showed that that faculty members differ in their perceptions of power and governance in institutions of higher education.¹⁹ Some faculty members, for example, are completely indifferent to how the institution is governed; or on the contrary, they are interested and gravitate to either the hierarchical or collegial model, and so on.

Many higher education institutions have various organizations in which stakeholders are joined together, such as academic councils, student councils and unions. Individual stakeholders, students, and faculty members frequently delegate their governance rights to such organizations, which in turn defend their stakeholders' rights. One might expect considerable participation on the part of such associations, but this is not always the case.

Among studies concerning stakeholder participation in academic governance institutions, we can single out the above mentioned articles by Williams and by Goedegebuure and de Boer, as well as another by B. Lee.²⁰ Lee studied various stakeholders' participation

in the governance of six higher education institutions in the United States. Goedegebuure and de Boer compared stakeholders such as professors, institutional administration, departmental administrations, institutional academic councils, departmental academic councils, and additional administrative personnel. The study was done in Sweden, Denmark, Germany, France, Great Britain, and the Netherlands. Goedegebuure and de Boer differentiate universities from other institutions of higher education. They note high participation among professors, which indicates the institution's professional organization, and low participation in governance among departmental administrations and additional administrative personnel. The professors and central administration are more involved in governance at universities than at other higher education institution. For the most part, professors are responsible for decision making regarding teaching, research, and faculty hiring, while councils are engaged in administrative support of the decisions that are made. The central administration is concerned with the budget, hiring of administrative staff, and institutional policy.

Empirical analysis

Governance structures in Russian higher education institutions

In the above we examine two polar types of decision making: collegial and hierarchical. We now seek to apply only two models (or their variants) to typical stakeholders of Russian higher education institutions, which include: the founders and heads of an educational institution, their deputies, institutional academic councils, departmental administrations, departmental academic councils, department chairs, faculty groups, the union committee, and students (and/or their parents). In this way we can ascertain how typical the collegial (in the classical or current understanding) or the hierarchical (professional or bureaucratic) model is for Russian institutions of higher education. This is done using data from a survey of the heads of institutions of higher professional

education conducted in 2006 as part of the project Monitoring the Economics of Education.²¹

How decisions are made

The first question to be answered is: which decision-making model is most typical of Russian institutions of higher education? To find out, we used the Monitoring the Economics of Education database generated by a survey of the heads of professional institutions. In particular, they were asked to respond to the issues addressed in Table 2.

For each policy, the respondents were asked to indicate all of the stakeholders who have an influence on it.

When analyzing the data to determine how the higher education institutions are governed, for each policy we constructed a *level of collegiality* parameter. Each response regarding the influence of stakeholder i on policy j was assigned a binary value $q_{i,j} = 1$ if the answer was affirmative, and $q_{i,j} = 0$ if the answer was negative. And the level of collegiality for an individual policy j is the mean value for the number of stakeholders

$$\sum_{i=1}^I q_{i,j} / I,$$

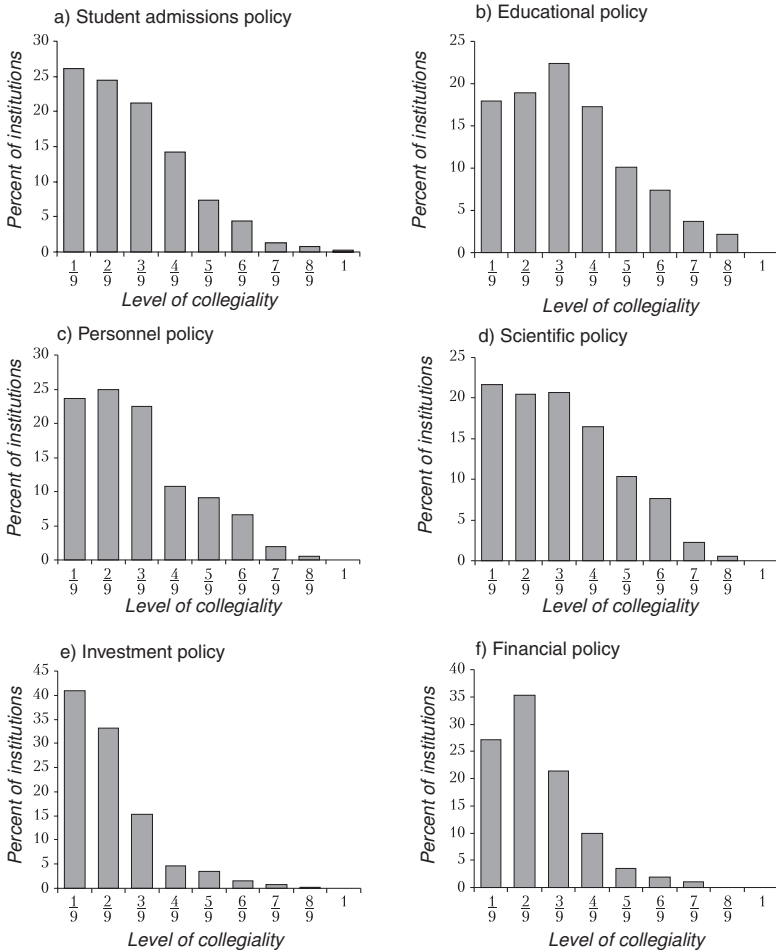
where I is the total number of stakeholders. In our case, $I = 9$. In this case, a level of collegiality equal to 1 indicates total collegiality, while a value of $1/I$ indicates the absolute rule of one group of stakeholders.²²

Figures 1a–1e demonstrate levels of collegiality with respect to various policies in higher education as a whole.

Low levels of collegiality are observed for all of the policies—less than four-ninths in more than 50 percent of the institutions. The most indicative in this case are investment and financial policies (Figure 1, e and f), in which only one or two stakeholders have an influence in approximately 70 percent of the institutions. The data show that the leaders in decision making by a single stakeholder are the heads of the institutions. In those instances in which an

Table 2									
Decision Making in Russian Higher Education Institutions									
Which of the following stakeholders (i):									
1	2	3	4	5	6	7	8	9	
Institutional academic council	Head of the institution and his deputies	Founders of the institution	Departmental administrations	Departmental academic councils	Union committee	Department chairs	Faculty groups	Students	
has appreciable influence on the following types of policy (j):									
1	2	3	4	5	6				
Student admissions policy	Courses offered, content of educational programs	Distribution of funds	Scientific policy	Personnel policy	Investment policy				

Figure 1. Stakeholder Influence by Governance Area



individual decision was made on personnel and financial policy, it was made by the head of the institution in 60 percent of cases. The institutional academic council leads in decision making by a single stakeholder in the area of scientific and educational policy. On other matters as well, in a high proportion of institutions the founders make individual decisions. The primary participants in

coalitions are once again the heads of the institutions. Academic councils and the founders also participate in coalitions, but the founders participate less in scientific and educational policy. Department chairs participate in coalitions on scientific, educational, and personnel policy.

Level of stakeholder participation

We have determined how collegially decisions are made and who participates in coalitions. Questions remain concerning how much each stakeholder participates in governance. For stakeholder i , a *level of participation* in governance parameter is computed (the mean for all policies):

$$\sum_{j=1}^J q_{i,j}/J,$$

where J is the total number of types of policy. A value of 0 indicates absolutely no influence of the stakeholder on the institution's policy as a whole, and 1 indicates the stakeholder's influence on every type of policy.

Analysis of the data shows that it is easy to identify the stakeholders that do not influence the institutions' policy—these are the students and their parents, union committees, and faculty groups. On the whole, their participation in governance is less than half at all of the institutions. And at more than 60 percent of the institutions they have no influence at all. On the other hand, the heads of the institutions and administrative stakeholders at other levels can be distinguished as those who participate significantly in governance. The heads of the institutions influence decisions on the overwhelming majority of issues at more than 50 percent of the institutions.

Which stakeholders influence which policies? We have already partially answered this question. But for greater clarity, Table 3 shows the proportion of institutions at which a specific stakeholder influences a specific policy. Once again, the union committee is a clear outsider.²³ The students also have only slight influence: they participate in student admissions policy and educational policy

Table 3

Stakeholder Influence on Policy in Higher Education Institutions

Policies	Stakeholders								
	Students	Head of institution	Institutional academic council	Departmental administrations	Departmental academic councils	Department chairs	Faculty groups	Union committee	Students (their parents)
Student admissions policy	53.9	71.9	51.0	40.6	14.3	21.4	5.9	2.7	14.0
Courses offered, content of educational programs	29.8	54.9	63.5	44.3	39.9	56.9	27.1	1.0	13.1
Distribution of funds	58.6	85.0	41.4	18.0	8.4	9.9	0.7	14.5	0.7
Scientific policy	25.6	70.0	79.1	25.9	37.4	51.0	16.7	0.7	1.2
Personnel policy	29.1	91.1	39.9	43.3	18.0	48.5	3.2	12.3	1.7
Investment policy	58.6	75.9	35.7	10.8	5.9	8.6	2.2	3.2	4.2

at 14 percent and 13 percent of the institutions, respectively. Next come faculty groups and departmental academic councils, which stand out with respect to educational and scientific policy, but the participation of academic councils is higher here. Then come the mid-level groups—department chairs and departmental administrations. The department chairs, in contrast to departmental administrations, do not influence admissions policy, but they do influence scientific policy. At less than 50 percent of the institutions do the departmental administrations influence any policy at all. Finally, the main leaders are the heads of the institutions, whose level of influence is above 70 percent for all types of policy other than educational policy and even more than 90 percent for personnel policy.

Although most of our analysis is still descriptive in nature, we hope that further studies in this field will give us a more complete idea of how Russian higher education institutions develop their strategies. Our research shows that *governance in Russian higher education institutions is mostly hierarchical*. If we compare our results with Goedegebuure and de Boer's study, we can conclude that, in contrast to European universities, decisions are not made collegially in Russian higher education institutions. Levels of the administration's participation are too high in our country, while the faculty's participation is negligible. It is atypical of European higher education institutions for all personnel policy to be in the hands of the institution's administration. But, as at European higher education institutions, the central administration's participation is greater than that of the departmental administrations. Decision making is distributed among various administrative stakeholders. At the same time, the faculty and students take virtually no part in governance. However, the faculty does have some opportunity, albeit small, to participate indirectly, through the department chairs and academic councils.

Notes

1. L.A. Mets and M.W. Peterson, eds., *Key Resources on Higher Education Governance, Management and Leadership* (San Francisco: Jossey-Bass, 1987).

2. J. Mora, "Governance and Management in the New University," *Tertiary Education and Management*, 2001, vol. 7, pp. 95–100.

3. See P. Goodman, *The Community of Scholars* (New York: Random House, 1962); J.D. Millett, *The Academic Community* (New York: McGraw-Hill, 1962).

4. See H.M. Stroup, *Bureaucracy in Higher Education* (New York: Free Press, 1966).

5. J.V. Baldrige, *Power and Conflict in the University: Research in the Sociology of Complex Organizations* (New York: Wiley, 1971).

6. M.D. Cohen, J.G. March, and P.A. Olsen, "Garbage Can Model of Organizational Choice," *Administrative Science Quarterly*, 1972, vol. 17, no. 1, pp. 1–25.

7. For example, B. Carlisle and M. Miller assert that teachers take a more responsible attitude toward their work if they themselves participate in decision making (B. Carlisle and M. Miller, "Current Trends and Issues in the Practice of Faculty Involvement in Governance," *Educational Review*, 1999, vol. 105, no. 5, pp. 81–88).

8. L. Goedegebuure and H. de Boer, "Governance and Decision-Making in Higher Education. Comparative Aspects," *Tertiary Education and Management*, 1996, vol. 2, no. 2, pp. 160–69.

9. W.R. Scott, *Organizations: Rational, Natural, and Open Systems* (Englewood Cliffs, NJ: Prentice Hall, 1987).

10. R. McCormick and R. Meiners, "University Governance: A Property Rights Perspective," *Journal of Law and Economics*, 1988, vol. 31, no. 2, pp. 423–42.

11. C. Hardy, "Configuration and Strategy Making in Universities: Broadening the Scope," *Journal of Higher Education*, 1991, vol. 62, no. 4, pp. 363–93.

12. Baldrige, *Power and Conflict in the University*.

13. J. Pfeffer and G. Salancik, "Organizational Decision Making as a Political Process: The Case of a University Budget," *Administrative Science Quarterly*, 1974, vol. 19, no. 2, pp. 135–51.

14. S. Mignot-Gérard, "Deconstructing Leadership and Governance Systems Within Universities," Consortium of higher education researchers, www.iff.ac.at/hof/CHER_2002/pdf/ch02mign.pdf.

15. See M. Menon, "Students Involvement in University Governance: a Need for Educational Aims?" *Tertiary Education and Management*, 2003, vol. 9, no. 3, pp. 233–46; D. Wood, "Faculty, Students and Support Staff Participation in College Governance: an Evaluation," paper presented at the annual conference of the association of Canadian community colleges, Edmonton, Alberta, 1993.

16. For example, Menon states that many students in Europe and the United States are dissatisfied that they have no opportunity to influence the decisions made by the administration.

17. Carlisle and Miller, "Current Trends and Issues."

18. Ibid.; Goedegebuure and de Boer, "Governance and Decision-Making in Higher Education."

19. D. Williams, W. Gore, C. Broches, and C. Lostoski, "One Faculty's Perceptions of Its Governance Role," *Journal of Higher Education*, 1987, vol. 58, no. 6, pp. 629–57.

20. B.A. Lee, "Governance at Unionized Four-year Colleges: Effect on

Decision-Making Structures,” *Journal of Higher Education*, 1979, vol. 50, no. 5, pp. 565–85.

21. Monitoring the Economics of Education is a project conducted by the State University–Higher School of Economics. The survey of the heads of institutions was done by the Levada Center from January 15 through May 1, 2006. The sample included 480 institutions of higher education. The sample parameters were: federal okrug, type of population center, the institution’s form of ownership, and whether the institution is the main campus or a branch. The heads of 406 institutions answered the questions of interest to us.

22. A similar parameter is also used in I.V. Pavliutkin, “Obrazovatel’nye organizatsii kak otkrytye sistemy: determinanty vuzovskikh strategii v trekh organizatsionnykh populiatsiiakh” [Educational Institutions as Open Systems: Determinants of the Strategies of Higher Education Institutions in Three Organizational Populations], WP10/2006/04 (Moscow: GU–VShE, 2006).

23. However, union committees do influence financial policies in 14.5 percent of the institutions of higher education.

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