

CENTRAL EUROPE

THE SERVICE UNIVERSITY IN THE GLOBAL MARKET PLACE

Universities seem to be in a state of deep transition. Recruitment, financing and relationships with various user groups show a transitory tendency which in a manner could create a principally new situation for the traditional research university. In this paper indications of service development internationally are presented and the concept of service is analyzed. The views upon a service development by university actors and regional clients of the University of Oslo are presented. An outline is made of a theoretical framework based in the assumed transition from a "mode 1" to a "mode 2" of knowledge production in society. Finally there are made assumptions about characteristics of a functionalistic service university under a "mode 2" of knowledge production.

Indications of an international Service University development

Recruitment, financing and relationships with various user groups show a transitory tendency which in a manner could create a principally new situation for higher education in general and for the traditional research university in particular. The reasons behind these changes seem to lie within wide criticism on the part of governments and industry of the function of the university. At the same time defenders of the research university will refer to the symbiosis between top university breakthroughs the likes of which we can see between Stanford University and Silicon Valley. The main argument of the defendants is that the research university represents a decisive factor in the development of regional and national technology. Critics of the traditional university will claim on their side that this kind of relationship is a myth. They will point to the phenomenon of inbreeding in the recruitment of researchers and that the university is not sensitive enough to the present needs of society in the way of the production of knowledge and its transmission to user groups. They will question the relevancy of the present production of professions. How effective is the university's use of resources, and how does cost-

consciousness operate in relation to the massive government funds the institution regularly receives?

Some researchers claim, in consequence of this criticism, that there is an internationally pervading tendency for governments to exert more direct control over university than before. Changes in the university policies of governments are particularly salient in countries which previously were characterized by a modest intervention from the State, countries with the so-called "state supervision model" for management of universities, i.e. Canada, England and the United States. Concretely governments are now simultaneously implementing two measures: decentralizing authority of decision-making from the government to the university, that is to say giving greater institutional autonomy than previously. At the same time the State is reducing its allocations to the university. Increased autonomy is expected to be translated into independent initiative on the part of the universities to maintain their budgets. This new economic reality is expected to result in the university attempting to market/sell some of its products to maintain its budgetary liberty of action. When this takes place, it becomes necessary for university management to find out which products have demand value. From here on arises a natural need for evaluation and quality control of the products. The university is no longer alone in the production of knowledge and higher education. Other institutions on the tertiary education level (research institutes and the junior and senior colleges) are showing interest in the same products traditionally produced by the university. More and more organizations themselves are defining their education needs and organizing their own learning processes, or they are contracting tailor-made training programs from the institution which offers the best product. In Norway the college sector is well on the way to entering the market with its products. The university seems to be forced into becoming more product- and cost-conscious.

What is a Service-University?

During the course of the last ten years the Service-university¹, more than was the case previously, has appeared as a more distinct movement. The traditional research university², which has mainly been financed by allocations on national level is challenged to provide its own financial arm space by selling research or knowledge-based services to clients in its region. Contributing with services of this kind is nothing new for the university. What is new is the dimension and indications that the growth of these services is an international phenomenon. The movement is particularly evident in the United States, Canada and Russia³. After

¹ Enros, P. and M. Farley (1986) *University Offices for Technology: Toward the Service University*. Ottawa: Science Council of Canada.

² The expression "the traditional research university" is used as a "working label" to characterize the western university from the end of the last century until today.

³ Cf. i.e. Buchbinder, H og J. Newson (1991b, 1990 and 1988).

the fall of the Soviet Union, the University of Kemerovo in Siberia (Novosibirsk) suddenly registered a reduction of 60 % in State allocations, and in order to survive it had to start marketing its services to the region. In the US the State University of New York to a growing degree has had to pad its budget through the sale of services to clients in the State of New York. Studies already undertaken have detected varying levels of development toward a service-based university. By service is meant the delivery, installation, and maintenance of knowledge-based applications to clients wherever they may be (Cummings 1997). At several American universities the concept of outreach is preferred to service. The latter is sometimes seen as having a content including non-scientific based activities. According to Lynton (1995:19) outreach is defined as "...a form of scholarship that cuts across teaching, research, and service. It involves generating, transmitting, applying, and preserving knowledge for the direct benefit of external audiences in ways that are consistent with university and unit missions". Hence service can be seen as something different from research based activities, or it can be defined as an off campus integrated research-based activity contributing to the mission of the university. For an institution continuing to be seen as a research university it would be service in the meaning of outreach which would be a meaningful activity. Lynton has chosen the term professional service to cover the research-based content of outreach and is listing the following examples of activities: technical assistance, policy analysis, program evaluations, organization development, public information, social development and expert assessments. Activities like these and the similar indicate an inevitable overlap of professional service with applied research. According to Lynton the traditional division of institutional mission and individual faculty activity into the triad of teaching, research and service is really obsolete and of limited utility. He finds it more useful to think of academic activity as a continuum along which basic and applied research overlap and merge into application and related forms of outreach (Lynton 1995:17-18).

In order to imagine consequences for organization and financing it is useful to describe the outer points of the old and new models, so as to bring out the principal differences between the two and the main norms which have characterized them. Cummings (1995) has sketched out the standards of the research and service universities as follows:

Research University	Service University
Arts and science centered	Professional schools
Two-tier + instructional program	Post-baccalaureate degree and training programs tailored for clients
Year long courses	One-week to four months courses
Life-long personnel	Many adjuncts
Research organization layered on top of teaching organization	Service carried out in parallel units
Decentralized choice of research agenda	Central planning and contracting of service
Funding by gifts and grants	Funding by contracts

While the traditional research university has two levels, under-graduate and post-graduate, with courses that usually span over one or several years, the service university is market by professionally-oriented courses lasting from one week to four months, tailored to fit the needs of the client/labor market. While professors are usually appointed for life, the service university has many temporary employees. The research tasks of the university have traditionally been placed over and outside of the university as a center of education. Research assignments and priorities have been relegated to the individual researchers and their areas of interest. In the service university education and research are organized in parallel. Responsibility for research policy as well lies with the university leadership. Outside of the established teaching load, the individual employee of the traditional university can choose how to spend the time.

The service university is characterized by management's control of its academic labor force through the type of contract which is concluded with external clients on the purchase of services, either in research, teaching or consultation. Financing of these two models is fundamentally different. While the traditional university predominantly lives of allocations from the State, which does not demand a clear control of results, the service university's survival is dependent upon the contracts it acquires, and its constant competitiveness on the market.

A shift of resources control

Based on transitory tendencies which already are registered, we can characterize developments as a transfer of control of the university's total resources. With the traditional autonomous research university as a point of departure in which tenured staff in practice have all the power to decide over principal resources, we can now sight out a gradual trend toward the other end of the continuum in which all control over resources can be relegated to the administrative leadership of the university on the whole.

Traditionally it is the tenured staff of scientific personnel (the professors) who have full control over the three main resources: their own labor/time, temporary labor, extra personnel and infra-structure resources. This end of the continuum could represent an organizational laissez-faire model. The university's actual operations were a result of the interests of the individual tenured staff. Planning, joint leadership and evaluation of the university as a whole were lacking.

Movement in the direction of the service university would seem to imply that the professors to a growing degree are losing control over these main resources. To a larger and larger extent the administration is determining which resources the professors are going to dispose of. A completely new model could be in sight: the complete service university. Here administration and management have full control over the professorate's total labor, also their research activities. Their labor is priced in relation to what it signifies for the income-potential of the university, and the

professor's work, be it research, teaching or performance of services for clients in the region, is determined by what university management has agreed upon with the individual employee⁴ (Cummings 1995).

Models	Tenured Professors	Contract Professionals	Facilities
Laissez-Faire University	Professors	Professors	?
Facilities Priced Professional Service	Professors	Administration	Administration
Full Services Priced	Administration	Administration	Administration

Norwegian findings

A pilot-study⁵ of the University of Oslo (UO) showed that the Norwegian Government wanted universities to take on a greater responsibility for their budgets in the future. Within UO the following finds were made: Through its plans and programs the university had taken the consequences of the government's signals of future reduced allocations from the State. The central leadership was divided over the concept of the service university as a principle. Administrative leaders had conceptions which were in accordance with plan documents and government intentions. Elected top leaders, amongst which tenured personnel expressed a more ambiguous view. Elected tenured leaders on faculty and institute level were negative to or hesitant of the principle of a service university and its consequences. The most salient objection was that the university's traditional autonomy, its possibility to conduct basic research and its role as an independent critic of the political and administrative system would be threatened if university budgets became dependent upon selling its services. UO's possible clients in the Oslo region had positive expectations of an improved "client relationship" to the university, but conceived the university of today as "a closed door".

In the pilot study the following questions were posed: (1) How do you assess a transition in the financing policy toward the universities – from mainly a responsibility of the State, to a greater dependence on selling research-based services to their clients in the region? (The respondents: administrative and academic leaders at the UO), (2) What are your expectations to the UO's possibilities of offering research-based services? (Respondents: user groups in the Oslo region). In concise terms and in matrix form the replies from the Oslo study figure as follows:

⁴ Cummings, W.K. (1991) The Service University. Paper to Annual Conference of Comparative and International Education Society (CIES) in Boston, MarCh 1995.

⁵ Tjeldvoll, A. og K. Holtet (1997) The Service-University in a Service Society. The Oslo Case. In W. K. Cummings (1997) The Service University in Comparative Perspective. Special Issue of Higher Education. Amsterdam: Kluwer Academic Publishers.

Level	Negative (-)	Reluctant	Positive (+)
Central administration (CEO+4 directors)			5
Central elected leadership (1)		1	
Faculty level (8 deans)	3	4	1
Department level (4 chairs)	4	3	1
Central public actors (4)			4
Regional customers (3)			3

Scandinavian welfare state and international market norms

Formally and administratively expressed opinions by the central level leadership of UO seem to indicate future more active efforts in offering knowledge-based services to its region, and to the Nation. But these opinions of service-policy are weakened when listening to how the central leadership elaborates this issue. Both the section and department levels leadership are split in their assessment of the service approach. Comparing the stands at these levels to the attitudes found at the central level, roughly half of the respondents may be seen as supporting the reluctance of the Rector, while the other half are pretty much on line with the central level administration.

How are these findings to be interpreted? Are the statements of the political and administrative bodies just an ephiphenomenon of the 90s? Do they express a market rhetoric reflecting the general change of ideological climate in the direction of liberalization, privatization and market economy? Or, do we face indications of changed frame factors that might have serious long time effects for the role and function of the autonomous university in the division of labor in society?

The presented information of political and administrative pressure towards a service university model could be an effect of changed power relations both within the university and between the university and significant actors outside. If such changes have taken place they would most likely be the result of an interplay between different political forces. Historically the Norwegian university by its faculties has had a strong autonomy vis-a-vis the political and administrative State, as well as in relation to corporate life.

There can be no doubts that the State, during the last ten years, has tried to increase its control over the universities considerably. Due to a series of legal acts being passed in this period the universities are now integrated in a national planning system and a higher education network, with the purpose of standardizing and increasing efficiency. This is a distinct political move towards more centralized power over the universities. At the same time decentralizing of decision making in some areas has taken place. The universities now have the mandate to appoint professors, and, as shown in this study, budget responsibility is being transferred to the single institution. However, it may be questioned whether decentralization measures like these have favored scientific autonomy or the opposite. Institutional autonomy does not necessarily mean scientific autonomy.

Turning the scope inwards – looking into the university as an institution – at least two organizational changes may have changed the power of balance in decision-making in the disfavor of independent research and, in the favor of a service-university development. Firstly, in the name of democratization, the composition of the governing bodies has changed. From a time where the senior professors had the real say, all bodies now have a functional representation by academic staff, administrative and technical staff, research fellows and students (both undergraduates and graduates). These groups have different frames of reference and different agendas when discussing and deciding on university-, section- or department-policies. From 1996 external representation (from the spheres of State bureaucracy and corporate life) on university boards is made legally binding. At present this representation may not be significantly influencing the decision-making, but the symbolic effect is quite obvious. From the political authorities external representation on university boards is announced as a means to make the universities more accountable to "the problems of real life". When these two measures of democratizing the decision-making bodies of the university are seen in relation to the changes in budgetary system, it seems fair to assume that the power holders of the political, administrative and corporate spheres may be paving way for the service-university.

Corporatist influence on changes is a typical phenomenon of many political arenas in Norway. However, such influence has up to now been next to absent in the field of higher education. Looking to neighboring Sweden – it is obviously quite different. Corporatist influence has been heavy also on higher education. Why has this been different in Norway? A tentative answer would be that the professors socialized in the Danish-German university-tradition have not been challenged in the question of their autonomy, until recently. There has hardly been a culture making it natural for the trade unions of people working within the university to seriously try to affect university policy-making. The unions have normally not involved themselves in other areas than working conditions and wages. As part of the Government's efforts of centralizing and integrating higher education and research into one more efficient tool for the nation's over-all interests, corporatism may now be affecting also the sector of higher education.

Summing up, two types of power-relations have been changed. Internally, the administration, other employer groups and external representatives have reduced the professors' role and power in decision making. Secondly, the State has taken much clearer command of higher education policies, through legislation and budget guidelines. These changed power conditions seen together make it fair to think that Norwegian universities may be carefully moving in the service-direction. The unanswered question is, however, how will the traditionally strong scientific labor force of the universities – the tenured professors – react strategically to these pressures and changed central level policies affecting their traditionally autonomous territories?

The University and the paradox of democracy

The Norwegian situation is rather open. Norway is different from many other countries today, in particularly two respects. The country has a favorable economy, due to the oil. This makes budgetary constraints less problematic than in most other countries, and may create a slower process in the service-direction. Secondly, the position and status of the autonomous university is still strong in the population at large. This fact could slow down the development in service-direction, and even counteract it.

The paradox that observers of Norwegian university development is left with, is the double effect of changes frequently justified by the norm of democracy. The internal changes reducing the power of the scientists in favor of students, administrative/technical staff and external groups are claimed to be important measures in creating a more democratic university, both internally, and in relation to the rest of the society. This is one effect. Reducing the influence and power of the scientists of the universities means reducing the capacity for independent critique of the political, administrative and corporate power holders in society. This may be reducing democracy in society at large.

The great challenge facing an ambitious research university in the future seems to be to find the balance between institutional autonomy, individual academic freedom and accountability towards the users who produce the revenues. Based on the indications of an international movement and the findings of the Oslo-study a tentative theoretical framework for further research is sketched in the next paragraph.

A tentative theoretical framework for further research

Hypotheses, for an expanded study on Service development. In Norway new legislation has provided the precedence for greater integration between the university and society. Research parks are being established (foundations) for the sale of research-based services. Management principles have changed inasmuch as the State is now trying to couple resource allocation with result obtention. Attempts to make more efficient unit management through a downgrading of professional competence in relation to administrative competence are being made within the university. On the whole there are a number of changes in the frame factors of the university, thus calling for developments in the direction of a knowledge enterprise. Still, there can be several factors which could make practical developments into something other than one would think. Traditional idealistic and functionalistic norms naturally live on and continue to be accepted. Rationalistic entrepreneurial-oriented demands come in addition to these. In the interplay between old and new, results quite different from the rationalistic line of thought may emerge. University policy itself emits varying signals. While underscoring demands on efficiency,

policy stresses the significance of basic research. Perhaps it is a coincidence, or it may be a political strategy but the fact is that university policy is making new demands without directly requiring that old norms be disregarded. *In short there are good reasons to be uncertain as to what actually will happen to the university in Norway in the years to come.* In the various regions around the world the service university with its functional adjustment to the needs of the environment could take on varying content and structure.

The empirical focus of an extended research project on service university development (SUN) is the University of Oslo (UO) and its community relationships. The UO has been chosen as a Norwegian case and example to be compared with several cases from other countries. Expectations toward SU-developments at the UO are expanded by the following hypotheses for future development:

1. Education within the professions will gain greater predominance than the more general liberal arts education routes
2. Tailor-made courses will be developed for particular users/user groups
3. More and shorter course programs (from one week to one semester's duration) will be developed
4. Relatively many teaching assistants (part-time positions) will be contracted
5. The university units will create more separate departments for various types of service functions (outreach)
6. Planning and concluding contracts with users (on knowledge-based services) will take place at the university
7. Professional appointments will be affected by a service-orientation
8. The socialization of the student body will be affected by stronger efficiency norms of the university
9. The administration will gain definitive control over the total material and human resources of the university (including the entire working services of the professorate)
10. The UO will show a stronger international orientation in its production and sale of research, teaching and services.

The sum of the empirical data obtained on a presumed service-evolution will provide the foundation for a holistic description and analysis of the UO as a case and as a comparative indicator with cases in other countries. A description of a first attempt at establishing a conceptual framework will follow.

Conceptual Framework Disposition. The general theoretical perspective which can be used in the analysis of changes presumably indicated by SU is the one proposed by Gibbons et al (1994), one which is called "knowledge production's mode 2". The traditional research university represents "mode 1", the usual discipline and basic research-oriented way of thinking. In "mode 2" knowledge production is not necessarily discipline-based. The starting point is one which

departs from the usual discipline-oriented one: that production can take place in many other places than at the university. This can imply close interaction amongst many more and varying actors than is the case with the usual research institute. An important outcome of "mode 2" is that the criteria for quality assessment are further developed, that the entire knowledge production process becomes more reflective and that it reflects the way of thinking of the people participating in the process. From "mode 2" we could derive a new assessment of what the concept of "good science" is (Ibid.). Seen from a post-modern point of view Usher et al (1996) poses the question of what type of institutional form adult learning ought to take, of whether life-long learning should be regarded as a universal right ("Adult Education and the Postmodern Challenge – Learning Beyond the Limits"). The concepts of Giddens (1990) and Beck (1992) of time-space distancing, reflection, confidence and risk within a globalized economy would also seem relevant to a general reference frame in the analysis of the nature of SU. In other words, it will be attempted to use both Gibbon's efforts to create a new model and Giddens's analysis which seems to take a more reserved stand precisely on attempts to construct future models.

"The university as an education institution should be regarded in the context of an extended concept of adult education. In the future the university could perhaps become involved in a more diffuse field of education, one which departs from what has been considered the official system, one which may come into more close contact with "the shadow educational system" (Nordhaug 1991). Economic and technological globalization, along with marked ideological transitions, are likely to put all established education structures under pressure to initiate change. Along with concrete economic and technological developments comes the argument of "paradigmatic shifts". Scott and Usher (1996) claim that the relationship between epistemology, methods, and practice within education as a social field is changing in course with the paradigm-changes. Both when it comes to knowledge production and knowledge dissemination (education) such "shifts" will result in knowledge no longer being considered as something fixed, but as something relative in our social world. The social world thus becomes uncontrollable, unstable with "reflective organization and reorganization of social relations in light of constant new knowledge which has a bearing on our patterns of action" (Giddens 1990:38). Without dwelling too much upon the distinctions drawn between "late modernity" (Giddens) and "post-modernism" (i.e. Lyotard 1996), one will accept the hypothesis of a Mode 2 tendency for knowledge production and general openness to what will prove to be relevant structures for the spreading of knowledge-based competency in the future. This will constitute a major reference frame for SU as a possible coming social phenomenon. The form can also be characterized as Post-Fordist, and will be trademarked by user-orientation, distinction and diversity in a global perspective.

With this reference frame as a backdrop a number of factors will be taken forth and qualified as a Mode 1-point of departure for hypotheses on what SU is expected

to produce. With the contexts (of nation specific socio-cultural and ideological particularities) as the clearest independent variables, both rationale and organization can vary⁶.

University Rationale	University Organization
The university's objectives/products	Context: State, Society/industry/ideology
Research-based knowledge	Structure
Research-based teaching/production of graduates/post-graduates	Staffing; academic, administrative
Research-based services	Disciplines
	Students
	Leadership
	Finances/economy
	Certification/quality control

From this tentative theoretical point of departure the following effects of a functionalistic Mode 2-development of universities' service orientation are expected:

1. Increase the university's ability to fulfill its commitments to society and to its users through the education of qualified personnel and relevant research, while maintaining and even improving the university's responsibility for the development of new and qualitatively better knowledge,
2. Increase productivity within priority areas by a more effective distribution of tasks and exchange amongst the universities, thus liberating resources for new knowledge production,
3. Make more efficient the use of resources within each area totally by greater competition between the universities and other societal institutions,
4. Increase the quality of research and teaching through greater access to empirical material which increases the potential to discover new phenomena and to reassess the old ones, as well as to provide students with updated knowledge in a greater number of areas,
5. Reduce tensions among the various scientific-ideological movements through a consensus-oriented distribution of tasks and internal distribution within the university institution.

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⁶ This model is elaborated in Tjeldvoll A. (1995) "A Language of Education as a Subject. Educational Rationales, Systems, Cultures and Paradigms" in Daun, I.-I., M. O'Dowd and S. Zhao (Eds) (1995) *The Role of Education in Development. From Personal to International Arenas*. Stockholm: Institute of International Education, Stockholm University.

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