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The Modernisation Agenda and University Irresponsibility Repertoires

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Introduction

Why do we currently feel the overwhelming need to talk about the responsible university? It is not as if the 'irresponsible University' is a category to which any self-respecting Higher Education Institution (hereafter HEI) could reasonably aspire. The discourse of responsibility has emerged at the European policy level around concerns with the domination of science and technology over society. In the context of the knowledge economy, society is hugely dependent on implementing new technologies, placing substantial power in scientists and engineers' hands to create knowledge that may benefit or penalise society (Owen et al. 2012; De Saille 2015). The responsibility agenda for universities therefore relates to ensuring that universities do not succumb to the temptation to abuse this power, to leverage their privileged position for private institutional benefit (Bozeman 2002).

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This has been driven by a recent transformation in higher education: rising costs in the 1980s led to the introduction of new management techniques within the higher education sector, shifting funding more directly towards the production of (societally valuable) outputs, such as graduate numbers or Ph.D. (Middleton 2000). In parallel with this, university managers were granted substantive autonomy to govern their institutions to better deliver these outputs (Kickert et al. 1997; De Boer et al. 2007). Regulators were created and ministries developed funding formulae to sharpen university responsiveness: performing well within these systems and securing the resources for their survival became an existential question for universities.

And herein lies the challenge: managers facing these existential funding challenges have become increasingly focused upon ensuring their institutional private survival by delivering outputs *regardless* of the effects this has on society (Watermeyer 2019). This intense private self-interest may induce behaviour which—whilst technically legal—breaches societal norms. When businesses breach public values, this may result in consumer boycotts or scandals; for universities, the risk is even higher, of undermining public trust in universities as institutions and their unique societal privileges. The recent emergence of the 'responsible university' discussion may therefore reflect a wider societal reaction to a fear, a fear that universities' irresponsible behaviour may be undermining public trust.

This chapter poses the research question of 'under what conditions might university management find themselves breaching public value', to understand what are the conditions under which the modern university might behave irresponsibly when facing these existential dilemmas. It firstly develops a literature framework to understand why universities are perceived to need to behave responsibly, and proposes a set of 'repertoires of irresponsibility' in which universities' managements may find themselves placed in responsibility dilemmas. It then draws on three empirical vignettes (small stylised case studies developed from secondary material) to explore the dynamics by which universities find themselves enacting these 'repertoires of irresponsibility'. These three vignettes are then analysed to identify processes enabling irresponsibility within contemporary higher education. Four factors are identified driving institutional irresponsibility, and conceptual and administrative improvements to address

these drivers are proposed. The chapter concludes that any university wishing to claim it behaves responsibly must as a minimum demonstrate how they have developed suitable institutional frameworks addressing these four factors to ensure that institutional behaviour whilst dealing with existential irresponsibility dilemmas remains socially acceptable.

Towards a Conceptual Framework for the Responsible University

Higher education literature has indicated that the totality of universities' responsibilities to societies constitutes a 'compact' between universities and society (Barnett 2000). Society expects individual researchers to prospectively anticipate society's wishes and interests, and that higher education institutions will behave in the 'public interest' (however defined). Living up to these expectations is necessary for society to grant universities the privilege and freedom to effectively create knowledge (Jackson et al. 2005). This section develops a framework for understanding how societal interests become projected onto universities, proposing that irresponsibility is the result of universities finding themselves in dilemmas where institutional survival seems dependent upon unfairly exploiting their privilege and power.

The University as a Societally Engaged Institution

Universities as institutions have always required social support to justify the resources they require to thrive, and their institutional longevity was based on their capacity to deliver immediate sponsor benefits whilst resisting pressures for immediate usefulness (Benneworth 2014). Universities are as a kind of 'Goldilocks' institution and their coupling to societal interests must be 'just right'. They must not be too oriented towards immediate practical application, but resist at the same time the temptation to be obscure and abstract. A certain degree of remoteness from society allows them to preserve and create abstract knowledge and understanding applicable in many contexts (the universality characteristic

of science). But they receive sponsor resources precisely because that knowledge and understanding is relevant and valuable. When universities drift too far from creating useful knowledge, then societal partners complain: when Scottish universities became introspective and separated from technology development in support of industrialisation in the late eighteenth century, their privileges were threatened by (newly created) learned societies (Phillipson 1988). Likewise, when universities became too instrumental and concerned with providing a conveyor belt of trained workers, then society revolted to restore space to ensure that higher education equipped them for society rather than simply creating a pliant workforce (Daalder and Shils 1982).

The reason for the university's institutional longevity is precisely because of their extreme adaptability to changing sponsor needs (Benneworth 2014). As Bender (1988) demonstrates, every societal upheaval in Europe (and latterly North America) led to changes in the nature of universities and indeed the formation of new universities to respond to these needs. Initially, these changes related to the nature of absolute power, the shift from spiritual to temporal, the rise of cities, from empire to the nation-state, with new centres of power requiring highly skilled priests, administrators and rulers to support central powers. From the nineteenth century onwards, the emphasis shifted from administrative-political to economic power, with Germany's Humboldtian and the USA's Land Grant universities creating research and extension missions. Emancipation became an important role in the late nineteenth and twentieth centuries, creating leaders for neglected communities, whether Canada's Nova Scotian Antigonish communities, or Calvinists and Catholics in the Netherlands. More recently, what Delanty (2002) called the 'democratic mass university' expanded university education to create engaged citizens equipped for deliberative processes in increasingly technological societies.

There is a raging contemporary academic debate regarding the consequences of these contemporary changes for universities (Clark 1998; Pinheiro and Stensaker 2013; Barnett 2011). In the context of new public management (hereafter NPM), there has been an attempt to articulate societal benefits in terms of things that can be measured and managed, with the emergence of what Laredo (2007) called a 'third mission' for universities.

This includes specific services for businesses, community and government that exploit university knowledge resources for societal gain, and is addressed in more detail in section "NPM, the Third Mission and the University in the Knowledge Society".

NPM, the Third Mission and the University in the Knowledge Society

A crisis of government legitimacy in the 1970s drove a diagnosis that state institutions had become captured by 'producer interests' where bureaucratic legitimacy was more important than serving citizens. Reform was necessary to ensure that public services served citizens and the so-called new public management sought to place the citizen-user interests at the heart of policy development and implementation by sensitising providers in various ways to citizens' interests (Kickert 1995; Kickert et al. 1997). These approaches operated by aggregating user interests, often through market mechanisms, leading some to term it 'neo-corporatism' (cf Rhodes 2003), seeing governments set targets for universities and funding universities against their performance to those targets.

Ensuring that these market mechanisms would aggregate public interest necessitated widespread reforms to regulatory mechanisms. Market signals are incredibly precise, with customer choices and purchasing behaviours signalling what is and is not valued; creating markets in public services therefore allows very fine-grained signals to be regarding which providers are better or worse. But making public service providers capable of responding to these signals required changing institutions' internal governance, to allow dynamic rather than bureaucratic responses to dynamic conditions and market signals. In what is now sometimes referred to as the 'modernisation' of universities (cf. Commission of the European Communities 2006), universities were reformed to give management more direct power to force their institutions to respond to these signals. Management power was increased, professional decision-making weakened, and legal frameworks were changed to allow university to behave 'strategically' to best meet the demands of their target markets, and making them responsive to these market mechanisms (De Boer et al. 2007; Jongbloed et al. 2007).

HEIs are now expected to pursue a limited number of strategic missions identified by institutional management; a limited number of missions have become popular, such as pursuing internationalisation, places in the rankings, teaching quality or research excellence. A key issue for this modernisation is that it reduced universities' capacities to pay attention to other areas. A problem of 'mission stretch' or 'mission overload' has been identified for universities: they are expected to respond to a range of different external agendas which are not easily reconciled in a single coherent strategy (Enders and De Boer 2009). Under conditions of resource scarcity, universities acting rationally prioritise their spending on those missions and activities which produce the greatest institutional return.

The Urgency of Articulating a New Responsible University Model

New public management has become so widely normalised within higher education that there has been a qualitative shift towards what some have called the 'marketisation' of higher education (Brown and Carasso 2013). Indeed, some have gone so far to contend that the university has become 'toxic', dominated by zombie leadership, chasing academic 'rock stars' and unchallenging of neoliberal ideology (Smyth 2017). Even if one does agree with Smyth's critique of the consequences of the university 'modernisation' project, it is clear that marketisation reduced the attention that universities pay to upholding public service ideals. Although the public's representatives (governments) pushed higher education marketisation, ironically enough, the resultant situation encourages university behaviours with which publics may feel uncomfortable.

Even the most fierce advocates of market-based systems concede that markets can produce economically suboptimal situations, such as monopolies, where a single supplier can set prices artificially high. However, such market failures are easily identifiable because their negative economic consequences represent a failure in terms of the underlying (economic) system logic. More complex to deal with are situations where ostensibly well-functioning markets produce *economically justifiable*

outcomes that are at odds with public values. These are much harder to address precisely because the failures are obvious in terms of the underlying system logic. The correct functioning of patent law allowed retroviral HIV drugs manufacturers to block African countries facing AIDS epidemics from importing cheap generic versions to prevent mass fatalities (Bozeman 2002; Bozeman and Sarewitz 2005). It was only the resultant public outcry, particularly from shareholder activists in the global north, that saw this situation overturned when South Africa went unpunished in importing drugs from Thailand.

Our contention here is that irresponsible universities behave in ways that are not market failures but rather represent *public value failures*: in pursing goals of survival in the market they take choices that give outcomes at odds with prevailing public values. Bozeman's diagnosis is that public value failures occur when there are no mechanisms to effectively articulate public value, there is benefit hoarding, short-termism and a domination of competition over public service provision. Table 3.1 transposes Bozeman's (2002) public value failures across to the higher education sector, and highlights university behaviours *potentially* corresponding to such public value failures.

Of course, other more traditional failures may lead to universities behaving irresponsibly, from simple management errors, to political interference, scientific malpractice or corruption. Although this behaviour is irresponsible, it does not represent a public value failure that is a consequence of well-functioning governance—a university where cheating or corruption was discovered represents a governance failure as well as public value failure, and a public outcry is not necessarily necessary to address the issue.

Table 3.1 presents an authorial proposition that these cases genuinely represent public value failures, rather than an empirical establishment of those value failures. In the case of the Dutch performance agreements, for example, universities agreed performance targets with an Independent Commission, and 'creating public value' did not feature in any of the targets. There were no mechanisms to agree and aggregate public interests in these agreements beyond a few politically motivated demands such as reducing administrative employee numbers and increasing student completion rates. But that does not demonstrate that this is a public value

Table 3.1 University irresponsibility repertoires as manifestations of public value failure

Public value failures	Repertoires of university irresponsibility	Concrete examples
No mechanisms to articulate public value	Absence of accountability mechanisms that allow publics to comment on and shape university engagement activities	The Performance Agreements in the Netherlands agreed between Government, a Commission and HEIs (Jongbloed et al. 2018).
'Imperfect monopolies' occur	Emergence of private providers with access to same titles and accreditation despite inferior product/higher profitability	University of Phoenix selling low-value courses to unsuitable students to harvest federal student support loans (Universities and Colleges Union 2011)
Benefit hoarding occurs	Setting of high levels of fees to restrict access to teaching and research already in receipt of substantive public subsidy	Almost all UK universities set £9000 fee justified in terms of 'prestige pricing' to benefit students paying higher fee
Scarcity of providers of public value	A failure to spend resources received from government and fees into teaching activities, to shore up organisational activities	University of Bangor investing in new campus whilst cutting staff numbers
Short-termism and avoidance of long-term investment	De-risking balance sheet (pensions, permanent contracts), downgrading longer term commitments to key stakeholders	The UK Universities Superannuation Scheme Pension strike to defend direct benefit pensions which harm institutional borrowing
Competition prioritised over delivering public services	Excessive emphasis on spending on branding and marketing, shifting resources away from services to selling.	The rise and fall of UK far eastern and Gulf state campuses seeking to build new markets despite dubious human rights records

Source: author's own design following Bozeman's (2002) classification

failure, that something scandalous has happened, comparable with the public outcries surrounding HIV retrovirals. To address this research question, and in line with Watermeyer (2019) this chapter therefore explores three more detailed cases on the basis of the public record. These

cases are termed 'vignettes' to be explicit that these are not three worked-through detailed case studies. They nevertheless provide the basis for a reflection in the discussion and conclusions section of the conditions under which universities may find themselves drawn towards enacting repertoires of 'irresponsible behaviour'.

Methodology: Three Stylised 'Vignettes'

This chapter asks the research question 'under what conditions might university management find themselves breaching public value?' To address that question, evidence is sought regarding managerial decision-making in examples of universities and public value failure. Table 3.1 suggests that public value failures may emerge through six behavioural repertoires that emerge in contemporary higher education. Three vignettes are used to structure material to reflect on whether Bozeman's framework may be applicable to higher education in terms of understanding university irresponsibility as a public value failure or whether an alternative framework is necessary. Three cases are analysed where universities have faced a dilemma of maximising private benefits, and in so doing chose a course of action that generated a public outcry indicative of sufficient magnitude to indicate a public value failure (Bozeman's criteria).

The criterion to define 'university public value failure' is that there is in the case a chain of events from university action through public outcry leading to a university leader resigning. As this chapter primarily deals with structural failures rather than actions resulting from rogue leaders, the cases seek to clarify how university governance structures collectively imbue initial action with institutional legitimacy resulting in a situation at odds with public values; there are no examples of the more traditional governance failures referred to above. This approach is clearly exploratory and intensive, there is no representativity and therefore care must be taken in seeking to extrapolate the results more widely.

Each case provides a short and simplified narrative of the key elements of the controversies, the background, the issue, and why the university actors felt justified in taking action that later ended up becoming framed

in different ways as a public value failure. The empirical material was gathered in a number of antecedent research projects, and written about in a number of cases elsewhere for a variety of purposes. These stylisations cannot claim to be *comprehensive* or complete but rather *sufficient* to observe the tensions and lines of force driving university behaviours around these dilemmas. These three examples (the universities of Amsterdam, Bath and the London School of Economics) are universities that have elsewhere invested in delivering responsible activities and producing substantive public benefit. This material is not a criticism of individual institutions but attempting to understand the dynamics of dilemmas that may undermine university responsibility. And although they are not drawn from Nordic countries, they are taken from HE systems (the UK and the Netherlands) facing the same increasingly strong financial and research excellence performance pressures which are now starting to spread through the Nordic countries (such as through publication points systems in various Nordic countries that attach funding to publishing in particular outlets).

The Vignettes of Responsibility Dilemmas

This chapter presents three vignettes of irresponsible behaviour, relating to 'urban speculation', 'executive pay' and 'unacceptable research donations'. Each vignette was sufficient to breach public values in terms of an executive resignation, and represent valid examples of this irresponsible behaviour. Universities have long engaged in urban speculation: in the 1960s Chicago where the (private) University of Chicago, created with a strong public mission in the nineteenth century, sought to increase its campus attractiveness by displacing local residents in Woodlawn to allow gentrification (Shils 1988; Webber 2005; Benneworth et al. 2013). In the Netherlands, steadily growing university executive pay was one of the reasons for the Dutch government to introduce the *Wet Normering Topinkomens* ('Law on standardising top salaries') in November 2012 which capped maximum permissible public sector pay to the Prime Minister's salary. In terms of unacceptable research donations, the choice in 2000 of the University of Nottingham to accept £3.4 million funding

from a tobacco company to fund a 'centre of business ethics' (Elliot Major 2002) led to a mass departure of a 20-strong cancer research group to Imperial College London (MacLeod 2001). Each example provides a means to understand the pressures that the contemporary university faces to behave irresponsibly: these vignettes therefore offer a view into the future of the pressures under which Nordic universities may find themselves if there are increased pressures towards accountability, competitiveness and market-steering in Nordic higher education systems.

Universities as Urban Speculators

The first vignette explores how one university became enrolled in speculative urban development that breached public values (Benneworth 2016). There has been a recent change in the nature of university urban activities as universities have become increasingly financialised as organisations, needing secure income flows to guarantee loans necessary for investing in improved campuses (Engelen et al. 2014). The case study concerns the University of Amsterdam (referred to here as UvA after its Dutch abbreviation), which in 2014 announced a restructuring of its humanities faculty as a consequence of the lack of profitability of its students (see Benneworth 2015, for more detail). The university had embarked on a campus redevelopment to rationalise its use of space: in the course of that redevelopment process UvA incurred debts which imposed a harsh financial discipline on the university. That discipline began to have consequences for both staff (in terms of rising workloads and temporary contracts) and students. Students felt increasingly that they were treated as a commodity to be 'educated' as quickly and cheaply as possible, rather than as citizens undertaking a learning journey with the right to influence their own education.

A growing negative feeling amongst humanities students led to a group of students occupying a humanities faculty building earmarked for sale to real estate developers in central Amsterdam (the *Bungehuis*). The occupiers demanded more democratic dialogue between management and students and an end to the university's financialisation. That occupation was ended by riot police after ten days, after dialogue between occupying students and university senior management broke down. Two weeks later,

a longer occupation began of the *Maagdenhuis*, the university's central administration building, triggered by both a general widespread dissatisfaction with UvA's democratic deficit alongside the specific negative consequences this had had for staff and students across the university. Staff and students symbolically declared the creation of a new university, arranging teach-ins and guest lectures. This occupation attracted a great deal of sympathy and support from external academic communities, and when this second occupation was also ended with a show of force from local police, there was a general wave of public revulsion and political pressure. UvA's president resigned within one week following the forced, brutal ending of the protest, UvA terminated a partnership with the local University of Applied Sciences, and promises were made to staff and students to introduce a new more democratic governance model.

This case can be styled as a failure of universities to devote public resources to the ends for which they were intended, in particular to recruit good staff and provide students with an empowering and enriched learning environment in which they could be educated. Dutch reforms to university governance in 1992 had eliminated university democracy, replacing it with a right to be consulted ('co-determination'). Successive governments had since 1994 appointed business representatives to universities' oversight boards, who were prepared to set fiduciarily responsible budgets regardless of the negative consequences for academic activity. As Engelen et al. (2014) indicate, this had entrenched a financialisation discourse so deeply within Dutch university governance that it was invisible to those who were taking decisions. Indicators of *financial* health—solvency and liquidity—were mistaken for indicators of *institutional* health, and were not challenged when they imposed restrictions on institutional teaching and research activities. University leadership by academics had slowly been replaced by a primacy of the fiduciary responsibility to cover financial covenants to creditors for building projects, and to allow those covenants to determine what was possible within the primary business of teaching and research.

The Crisis of University Executive Pay

A second element of university marketisation came in the rhetorical construction of a 'market' for executive positions within public universities following the American or corporate model. Unlike the Netherlands, the UK has no regulations restraining university executive pay. The role of university Vice Chancellor (Chief Executive) really began transforming with the introduction of student fees and the construction of a competitive UK student market. In 1981, the then Conservative government introduced an 18% sector-wide funding cut and until 2001, UK higher education, primarily concerned with day-to-day survival, had lacked resources to invest in renewal. During that period, universities' highest paid staff were typically medical professors holding dual appointments with teaching hospitals. The 1998 introduction of student fees provided universities with a separate and capitalisable income stream, but that brought with it consumer pressure from students for a good experience and a pleasant study environment, which led to increased investments in university properties. From 2001, the UK Finance Ministry doubled public funding to the sector, trebling Ph.D. stipends and increasing funding for research in both institutional block grants and research councils funds. Universities needed to become expert in financial management and ensure they could demonstrate to their funders (students, banks and the government) that they were managing these resources in a prudent way.

It was around that point that the idea of a university 'executive' (as distinct from a *collegial* primus inter pares) emerged and executive pay started to rise. As student fees were trebled (2005) and trebled again (2010) to £9000, universities framed their management as providing business leadership, mobilising the argument (not always unreasonably) that the international nature of the labour market for such leadership necessitated appropriate remuneration. University governance arrangements saw pay typically determined by a remuneration committee which had neither instinct nor incentive to encourage pay restraint, and in some cases included the very Vice Chancellors whose pay it was setting. Pay surveys suggests that the pay growth, in general, of executives was no faster than the general wage growth for the period (BBC 2017) although

there were some exceptions to this rule. The issue of public value failure emerged in 2017 when an annual pay survey of vice chancellors revealed that the highest paid university executive in that year was the long-serving Vice Chancellor of the University of Bath, who was a member of her own pay committee, and whose pay had increased that year from £406,000 to £468,000 (Adams 2017a, b), and in total by £200,000 over five years. In response to these revelations, a member of the UK Upper House began a high profile campaign to remove her from her post, receiving support in this from the then Minister for Higher Education, who announced an inquiry into pay levels in higher education more generally. The Higher Education Council for England also announced an inquiry into governance arrangements at the University of Bath, which found that the remuneration committee was at fault (HEFCE 2017), prompting the executive concerned to take an enhanced retirement package including a sabbatical period.

This case can be styled as an absence of institutional accountability mechanisms to robustly challenge dominant management interests within an institution, and that could allow the public interest to be heard sufficiently early to be meaningful in discussions. The heart of the damning Higher Education Funding Council for England (HEFCE) inquiry report was that there had been a massive failure of governance by the University's 'Court', a non-executive stakeholder body intended to raise issues of general public concern. At the Court meeting of 23 February 2017, a stakeholder had indeed criticised the lack of transparency in the remuneration committee and its decisions. A motion was proposed that the Court should make a representation to the university governance body ('Council') but that was overturned by a vote in which members of the pay body criticised voting against the motion, and in which no declarations of interest had been made. Thus, despite the presence of a stakeholder body that could have alerted the university centrally to the approaching public value failure, the capture of those bodies by university executives and a lack of rigid challenge and oversight led to a situation where public values were transgressed.

Unacceptable Research Donations

The third vignette is the case of universities accepting sponsorship from legal but controversial funding sources. The requirement for universities to cover their own costs in a market environment to sustain long-term financial viability clearly changed the calculus regarding acceptable donations sources. This chapter takes the case of the London School of Economics (hereafter LSE), a constituent college of the federal University of London, established in 1895 by a number of leading social democratic thinkers to support societal development. The public value failure in the LSE case was in accepting a number of donations from the Libyan government that subsequently came to be regarded as providing a veneer of legitimacy for a despotic regime. At its core, in 2009 the LSE accepted a donation from the Gaddafi Foundation of £1.5 m for the establishment of a North Africa programme (an extensive treatment of this case is provided in Woolf 2011).

The donation was to prove one of the last steps in a slowly developing relationship between the LSE and the Libyan regime, a relationship that began with President Gaddafi's son taking a Master's degree then a Ph.D., and in which the son's difficulties with studying had paralleled growing connections between LSE staff and Libya (Woolf 2011). Upon the completion of his Ph.D. (and before the formal conferment) the son had been approached to make a donation to LSE from the Gaddafi Foundation by the director of a research centre (within more general fundraising efforts). At its first subsequent meeting, the Governing Body ('Council') did not fully question the funding's origin, despite it being flagged up for them as questionable by the internal Development Committee. Critically, the Council failed to realise that the Foundation was funded by companies investing in Libya whose permission to invest had been determined by and therefore was dependent upon, and not independent from the regime. An initial delay in acceptance for its scrutiny led to apparent embarrassment, followed by the donation's speedy acceptance in June 2009 (Woolf 2011).

The donation was structured as a series of five donations of £300,000 to establish a North Africa research programme; its acceptance led an

emeritus professor to write to the Council complaining about the ethical concerns of accepting the donation. This note highlighted the Foundation's intimate connections to Gaddafi's regime, challenging the apparent consensus that the son represented a reforming influence opening the country up to freedom and towards democracy. This note was discussed at the second Council meeting in October 2009, but the Council were to uphold the decision; in 2010 the Gaddafi father and son gave lectures at the LSE on governance and reform, which were later to be overshadowed by the regime's response to the uprising of 2011. In 2011, a series of revelations in the press revealed the relationship's controversial nature, including that elements of the doctorate were plagiarised, and that there were other commercial contracts between LSE and the Libyan regime that suggested a serious lapse of judgement. This led to the suspension of the North Africa programme, the closure of the affected research centre, the launch of the Woolf inquiry and ultimately the resignation of the Director of LSE (Vasagar and Sweney 2011; Vasagar and Syal 2011; LSE 2011).

This case can be stylised as a failure of accountability mechanisms to represent the public interest within key decision-making arenas. Woolf's inquiry report was clear that all principal actors believed they were acting in LSE's best interests, but despite that, there was a substantive failure of governance. The inquiry indeed singled out the perverse incentive for fundraising from non-traditional sponsors, and the failure to develop institutional controls to ensure that only publicly acceptable sponsorship was accepted. The internal control system had worked, flagging up the potentially problematic nature of the donation, but the Council meeting firstly failed to undertake due diligence and then failed to reflect adequately on the donation when urged to by a knowledgeable emeritus professor. Attempts to broaden the income base and expand into new markets building on emerging opportunities led to what Collini (2011) referred to as being 'willing to take risks about the legitimacy or cleanness of any source'. This willingness to take risks derived from the responsibility dilemma but also became a willingness to accept funding that was (with the benefit of hindsight) obviously intended to facilitate a normalisation of a rogue state (Libya) in both international relations and trade and investment terms.

Towards a First Synthesis of Irresponsibility Enabling Repertoires

The previous section presented three stylised cases of universities highlighting the role that institutional governance plays in the events chain leading to irresponsibility. These three cases suggest four emerging issues for universities reconciling competition within market frameworks alongside sustaining their public value role:

- The effect of institutional complexity within universities simplifying complex cases in ways that hide their controversial nature from governance structures.
- The effects of different forms of responsibility—fiduciary, ethical, corporate—intersecting in ways in which these ethical concerns were downplayed.
- In cases where universities made strategic investments, completing associated projects became an end in itself rather than the primary teaching and research ends they were supposed to deliver.
- No institutional mechanisms within which public interests could be articulated and heard within deliberative processes that very quickly disconnected from external referents.

The first of these relates to the complexity of the university as an institution and the need for very different kinds of activities and communities to relate to each other within a single institution, reducing complex issues to a simple essence. In dealing with very sensitive judgements of responsibility, units within the university reduced issues to something sufficiently simple to deal with, in terms of what mattered to that unit. But at the same time, those decisions then 'travelled' within the institution, carrying the baggage of what mattered to that first unit. Other communities within the same institution then had their own understanding framed by that simplistic reading, thereby losing nuance. In the UvA case, it made sense for the UvA *at the board level* to think about the financial sustainability of the institution as a question of the profitability-per-student, but as soon as that simplification travelled to a *Faculty*, then it was immediately

open to challenge as being counter to public value. Likewise, in the LSE case, the Development Committee's substantive concerns were lost in its translation to the governing body, and the decisions of the academic departments who admitted the Gaddafi *fils* hoping to expose a dictator to liberal thinking were lost when the Ph.D. had been awarded and he became a potential corporate sponsor.

The second of these relates to the existence of different versions of responsibility within a single institution, and the complementarity and incompatibility of these different versions, and their incommensurability with public value. The first was *fiduciary responsibility*, and the requirement for universities to remain a going concern and to meet their responsibilities to their lenders. Universities in both the Netherlands and the UK had undergone decades of neglect in investment in their real estate and attempted to catch up by borrowing to invest, to facilitate better competition. The second was of *individual responsibility* to hit financial targets imposed from above, leading to individuals taking decisions which whilst fitting with the overall institutional aim were at odds with the communities within which they operated, whether the Faculty of Humanities or the LSE Department of Government. Third was a *responsibility to attract the best institutional leaders*, whether in the case of the UK by allowing high executive pay, or in the Netherlands by allowing management to compensate for the national pay ceiling by using these board positions to demonstrate fiduciary responsibility and to take well-remunerated non-executive positions (the then-UvA chair was also on the oversight board of Schiphol Airport).

The third element was the emergence of an (implicit) institutional mission or set of goals that was more important than the universities' primary activities (teaching and research) which led to the dominance of logics which were sufficiently far from those of the teaching and research activities to create these public value failures. In the case of UvA, the creation of the new university campus organisation (based on four core locations) became a real estate 'tail' that began visibly and uncomfortably 'wagging the dog' of the faculties. In the LSE case, leveraging influence to win donations strengthening core research programmes and profile became (temporarily) more important than building institutional profile and attractiveness on the basis of those core teaching and research

programmes' intrinsic strength. In the case of Bath, strong institutional leadership became an end in its own right, and led to the intermingling of leadership with the checks and balances supposed to provide a public input and accountability, thereby undermining the representation of the public interest.

The final element was the absence of internal mechanisms to provide a strong voice to the public interest and ensure that that public voice achieves an effect in university governance. Notable in each case was that concerns of public value were raised internally long before the effects became visible externally. But it was only when external stakeholders picked up on it and transformed the controversy into a 'public value failure' that the resignation occurred. The issue here appears as the absence of mechanisms allowing internal contrarian voices to achieve an effect, prior to the controversy escalating to the level where it become an issue demanding an institutional sacrifice. UvA had a faculty and university council that had approved the plans for the restructuring and the real estate plans, and even had raised critical voices about those plans, but was not able to compel the university to respond. LSE had a Development Committee that scrutinised and criticised the controversial donation but at the time that passed through to Council, the trenchant criticism was diluted and outweighed by other factors. Bath's Court was effectively captured by managerial interests so stakeholder voices were not heard sufficiently when attempting to flag up the controversial nature of pay decisions. Part of the creation of the modern university as highlighted in section "NPM, the Third Mission and the University in the Knowledge Society" was the creation of a strong steering centre, but irresponsibility seems to be enabled by a lack of appropriate checks and balances that allow outside stakeholders to exert influence in these internal governance mechanisms.

Discussion and Conclusions

This chapter asked the research question 'under what conditions might university management find themselves delivering public value failures' to understand why universities, with their strong public service

orientations, might end up breaching public value in their behaviours. These three vignettes allow four systemic factors to be identified regarding university governance arrangements associated with public value failures, namely (i) organisational complexity, (ii) conflicting varieties of responsibility, (iii) tunnel vision around strategic projects and (iv) the absence of a public voice. Bringing these back to the conceptual framework proposed in Table 3.1, these four factors appear to correspond with various elements of Bozeman's framework.

Table 3.2 implies that these four factors appear to provide a means to explain the question of irresponsibility and public value failure in

Table 3.2 Systemic factors driving university public value failures

Public value failures	Repertoires of university irresponsibility	Concrete examples
No mechanisms to articulate public value	Absence of accountability mechanisms that allow publics to comment on and shape university engagement activities	(iv) The absence of a public voice
'Imperfect monopolies' occur	Emergence of private providers with access to same titles and accreditation despite inferior product/higher profitability	Not observed
Benefit hoarding occurs	Setting of high levels of fees to restrict access to teaching and research already in receipt of substantive public subsidy	(ii) Conflicting varieties of responsibility present within the institution
Scarcity of providers of public value	A failure to spend resources received from government and fees into teaching activities, to shore up organisational activities	(i) Organisational complexity
Short-termism and avoidance of long-term investment	De-risking balance sheet (pensions, permanent contracts), downgrading longer term commitments to key stakeholders	(iii) Tunnel vision around strategic projects
Competition prioritised over delivering public services	Excessive emphasis on spending on branding and marketing, shifting resources away from services to selling	(ii) Conflicting varieties of responsibility present within the institution

Source: author's own design based on Table 3.1

universities. These four factors taken together describe a situation where intense competition between HEIs leads to relatively closed decision-making processes neither interested in nor reactive to public voices. The need to involve a range of different actors within a university leads to a simplification of the choices to be made, and in that simplification, intense competition sees corporate and fiduciary considerations dominate more ethical ones. This suggests that these public value failures are a consequence of new public management systems and if not inevitable, hard to address in a systemic way without softening or undermining NPM principles, whether market-steering, competition or autonomy. This suggests a suitable evidentiary standard for analyses of 'Responsible Universities' in that they need make clear precisely how the universities making these 'big claims' for responsibility have managed to shield themselves or circumvent these four factors. From a Nordic perspective, this suggests that as these system-steering pressures intensify in coming years, there is a risk that there will be more of these public value failures, and public policy makers should therefore seek to ensure that universities have the autonomy to resist these pressures and behave responsibly rather than opportunistically.

Secondly, although caution is required given this research's rather exploratory nature, these three cases highlight that the governance arrangements which promote NPM are those in which these public value failures can take place; indeed some of these NPM features appear to raise the chances of public value failure. This implies that building responsible universities is not merely a task for universities and their staff but also an issue for all of those that are in some way regulating university steering systems, including regulation and quality agencies, higher education ministries, and even finance ministries and accountancy standards bodies. This research suggests that a shift towards the responsible university need be accompanied by a shift towards public value management in higher education more generally. In the Nordic context, policy makers should reflect upon and seek to address the inherent tensions and pressures that NPM creates for higher education decision-makers that can lead to collective decisions to behave irresponsibly, and contrary to Nordic public values and the interests of Nordic societies.

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