

Bringing organizations and systems back together: Extending Clark's Entrepreneurial University

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Abstract

Burton R. Clark's (1998) book, "Creating entrepreneurial universities," has had a major impact on the field of higher education, especially internationally. In this essay, we identify key aspects of Clark's conceptualization of "Organizational pathways of transformation," speaking to its theoretical and empirical contributions to higher education studies, policy and practice. In addition, we build on the larger corpus of Clark's work to offer avenues by which we can bring considerations of systems analysis and organizational studies back together to address the strategic challenges and opportunities for individual universities and state as well as national systems of higher education.

Introduction

Rarely do studies in higher education become widely cited internationally, and widely utilized not just academically, but also politically. That is understandable given the small size of the research field, and the diverse and fragmented landscape of the research conducted. Yet, Burton R. Clark's 1998 book *Creating Entrepreneurial Universities* is one such case. Having received over 4200 citations in *Google Scholar*, it is one of the most internationally influential books in the field. In this essay we examine what, for Clark, entrepreneurial universities are, and how local actors can initiate and structure the organizational transformation to get there. Subsequently, we speak to the European context that helped give rise to the popularity of this concept and its impact on research as well as on public policy, noting the understandably lesser impact of that concept in the U.S. Finally, we look back to the full scope of Clark's comparative work, intersecting it with two aspects of our own work

to map ways that we can bring organizations and systems back together, charting strategic paths for systems and universities that more deeply consider the full and enduring range of realities of confronting higher education organizations and systems globally.

The concept of the entrepreneurial university

The quite dramatic environmental changes and reforms that impacted a number of higher education systems internationally in the late 1980s and throughout the 1990s, and that had been initiated in the U.S. at least a decade before provide an important backdrop to the focus on the entrepreneurial university. Three such developments were particularly important. First there was the austerity agenda, what in Europe has been called the “new public management” (Hood, 1995; Lane, 2000), with a relative disinvestment in public sector entities like public higher education. Second, there was the interrelated heightened demand for accountability at the system level and increased managerial control at the organizational level (that in Europe involved a significant devolution of responsibility to the university) that has constituted “steering from a distance” (Amaral et al., 2000; Ferlie et al., 2008; Marginson, 1997; Neave and Van Vught, 1991). Both of the above patterns have led to a push for quasi-market and market solutions in public sector realms like higher education interacting in more instrumental, economically productive, revenue generating ways in the knowledge economy (Etzkowitz, 2004; Shattock, 2003; Slaughter & Leslie 1997, Slaughter and Rhoades, 2004).

A third intersecting development has been a fundamental restructuring of professional employment in higher education and a shifting of student demographics. In the case of the former, there is an academic workforce that is more temporarily employed (Enders, 2005; Kezar, 2012; Teichler et al., 2013) and that consists of increasingly “managed professionals” (Rhoades, 1998), as well as a the rapid expansion of non-academic, “managerial professionals” (Rhoades and Sporn, 2002) or “blended” or “new higher education professionals” (Gornitzka and Larsen, 2004; Kehm, 2015; Whitchurch, 2009). In the case of

students, there has been a decline in the U.S. and Western Europe of the traditional student population, increased growth of non-traditional university student populations (lower income, immigrants, students of color), and a heightened pursuit of (full) fee paying international students, particularly in emerging economies like China, India, and South Korea.

In the face of such changes and challenges, Clark called for more “steering than drifting” (1998, p.5) of organizations. In five case studies of entrepreneurial universities in Scotland, England, the Netherlands, Finland and Sweden he identified the steps by which these institutions set and steered their own independent courses.

Clark’s choice of the term “entrepreneurial” (versus of “innovative”) was quite intentional. Part of his preference for that term over “innovative” had to do with its connotations of “a willful effort in institution building...”; “I have chosen ‘entrepreneurial’ over ‘innovative’ as the organizing conception for this book because it points more powerfully to deliberate local effort, to actions that lead to change in organizational posture” (p.4) That word choice was also quintessentially American in its conceptual framing of the risk taking initiatives of leaders in the case study universities independently charting their own course in the higher education wilderness to achieve greater self-reliance. Indeed, Clark explicitly underlined the need for a focus on the organizational, not the system level as the source of genuine reform. The national system, the state, is seen as a problem, an impediment to the dynamism embedded in the entrepreneurial competitive initiative of organizations.

Significantly, though, contrary to the way many others, particularly policymakers and managers have used the term, Clark understood entrepreneurialism not as a management posture, but rather as a deeper structural and cultural phenomenon that is embedded within and operates throughout the organization (Clark 2001: 21). Part of that embeddedness is that entrepreneurialism defines not simply the management of the enterprise, but senior academics as well—it is “collegial entrepreneurialism” (Clark, 2000).

In the above regards, Clark's concept drawn from five case studies of universities in Europe harkens back to his earlier work on *The Distinctive College* (Clark, 1970), based on three case studies of liberal arts colleges in the U.S. In both studies Clark identifies the processes and structural elements that lead to the distinct culture and identity of each organization in question. An "organizational saga" was established not simply by leaders' initiatives, but was fulfilled through the institutionalization of organizational, structural, and cultural changes in which other groups (e.g., senior faculty, students, alumni, the community) participated and took on as the core narrative of the place (Clark, 1972) that has both internal and external appeal and is an affirming, compelling, oft-repeated story (Clark 2001: 21).

So, too, with the "organizational pathways of transformation" in the entrepreneurial universities. Although Clark speaks to strong leaders in each of the distinctive case sites, he identifies five specific mechanisms that he suggests enable and drive cultural change: A diversified funding base; a strengthened steering core (that includes some senior faculty); an extended developmental periphery (of what Rhoades and Sporn have called managerial professionals); a stimulated academic heartland; and an integrated entrepreneurial culture. These mechanisms are linked to the need of changing institutional governance structures (Pinheiro & Stensaker, 2014), and not least to an active and nurturing approach towards the environment surrounding the institution (Shattock, 2003).

Clark's distinctive organizational focus intersects a larger policy shift in Europe

The way Clark described and contextualized entrepreneurialism was quite different from key contemporary books that addressed the changing university at the same time. Other U.S. conceptualizations of academe's intersection with and embodiment of private sector markets speaks to larger economic and policy systems and networks. For example, the concept of "academic capitalism" (Slaughter and Leslie, 1997) offers a more critical picture of higher education change in which universities are commercialized and commodified, as

part of a knowledge/learning policy regime (Slaughter and Rhoades, 2004). By contrast, the concept of the “triple helix” (Etzkowitz, 2004; Etzkowitz et al., 1998; Etzkowitz and Viale, 2010) offered a much more enthusiastic take on the future, though the focus again was a systemic one, on intersections between universities, government, and industry. In this context, Clark’s conceptualization of entrepreneurialism was more an internal organizational dynamic and university strategy, expressing elements of Selznick’s “old institutionalism” approach to understanding and managing organizations (Selznick, 1996; Stinchcombe, 1997)—not surprising in that Selznick was one of Clark’s mentors

Clark’s focus on the university as the unit of analysis can also be said to reflect a shift in the research focus and policy focus at that time in Europe where the changing relationship between the state and higher education triggered an interest in how the university as a coherent whole – as an organization – responded or should respond to the new challenges they were confronting (e.g., see Barnett 1999, Shattock 2003). Furthermore, while case studies was certainly not a new thing to higher education research in Europe, Clark’s book was also an example of the emerging interest for comparative case studies, and for more holistic and inclusive qualitative analysis of change and development in higher education.

Creating Entrepreneurial Universities became an instant hit in higher education research internationally when it was released, but perhaps even more surprisingly, it also became a hit within policy-making circles. For example, the OECD’s program for institutional management devoted its 2000 conference to Clark’s book where all keynotes, parallel sections and papers addressed different issues drawn from it, with Clark as the lead keynote speaker (Clark 2001). In the following years the book has been used in three ways.

The first and perhaps most prominent way that Clark’s concept has been utilized is as a general reference point for and citation of the observed change that has taken place in the higher education in many countries. As changes have unfolded inside the university in

different parts of the world, the concept of entrepreneurialism – despite its many potential meanings - has become a much used reference and point-of-departure to describe the different facets and forms of transformation taking place in the university (see e.g., Deem et al. 2007). Unfortunately, scholars have less often systematically followed through in the specific dynamics of organizational transformation.

A second use of Clark's concept has been as a concrete yet symbolic and attractive narrative that has been extremely relevant for many managers and practitioners who are designing and initiating change inside their own institutions. By drawing on the careful discussions Clark had about the need for reform and the pragmatic ways in which reform could take place, it is possible to argue that the book was and still is much used as an invocation and legitimation of institutional actions (see e.g., Gibbs & Hannon 2006).

A third and perhaps more indirect application of Clark's concept is as an inspiration for those researchers that underline the importance of understanding organizational change as a dynamic, on-going and incremental process, rather than depicting change as a direct result of top-down initiatives and managerial strategies. Current and popular organizational perspectives such as Strategy-as-Practice (Jarzabkowski 2004) have drawn inspirations from numerous sources. However, this work builds on the cultural and more process-oriented research tradition that Clark helped found and to which he stayed true in his work.

Despite the substantial global impact of *Creating Entrepreneurial Universities*, it is interesting that in his own country the book has had considerably less impact. Some of the explanation probably lies in timing—the public disinvestment in higher education, the rise of accountability pressures, and the call for greater strategic management (see Keller, 1983) all came a good deal earlier in the U.S. than in Europe, and two decades prior to Clark's book. So whereas it resonated in Europe, intersecting with these trends, it was neither as timely nor as distinctive in the U.S. context. Moreover, academics and policymakers in the U.S. tend not to

look to Europe or elsewhere for models of innovation, and the case institutions in Europe detailed by Clark were largely unknown to and thus not compelling for scholars and managers in the U.S. Finally, the nature of the field of Sociology in the U.S., which has relatively little on higher education, as well as the field of higher education studies, which has more to do with students (access, financial aid, persistence) than with organizations (Clark, 1973) means that there was less fertile ground than in Europe, where public administration and policy studies of higher education systems and institutions are more prominent than in the U.S.

Bringing organizations and systems back together: Toward a new research agenda

Looking back to Clark's full range of comparative higher education scholarship, there is an irony to *Creating Entrepreneurial Universities* and *Sustaining Change in Universities*. What Clark is most known for internationally in his comparative work is the triangle heuristic of his analysis of national systems (Clark, 1983). Yet what he closes his comparative career with is what defined his work on higher education in the U.S., as in his organizational case studies of an open door community college (1960), of distinctive liberal arts colleges (1970), and of different academic worlds in different disciplinary and organizational settings (1987). And that return to his American organizational roots was grounded in his American view of the state: "The state-led pathway is clearly not one appropriate for change in complex universities in the fast-moving environments of the twenty-first century. System-wide changes are notoriously slow in formation and blunt in application." (2004, p.182) There is, by contrast a valorizing of the entrepreneurial local organization, a moral imperative of the strategically independent organization, its leadership, and its distinctive culture.

In our view, however, there is value in bringing organizations and systems back together. We intersect our three suggestions for future research with aspects of our own work about strategic directions in higher education globally. Three insights frame our suggested directions. First, there are underexplored organizational and systemic costs to the prevailing

push by national and state policymakers as well as by local managers for more self-reliant, entrepreneurial universities. Second, in addition to thinking about the organizational pathways to transformation, it would make sense to consider the policy pathways in (nation) states that foster and/or facilitate the entrepreneurial initiatives of individual universities. Third, it is worth exploring the extent to which and how entrepreneurial universities are strategically moving in relation to the fundamental demographic and employment challenges that higher education systems confront.

Whereas Clark's focus in his book was on "success stories," and on the beneficial aspects of entrepreneurial initiatives, there are also many stories of false starts and failures organizationally. It would be well worth considering the costs of entrepreneurialism to both individual organizations and to the systems they are a part of. Clark paved the way for the current booming scholarly utilization of organizational identity as a concept for understanding both resistance and radical change in the university (Stensaker, 2015). His work is also useful in trying to understand how modern universities attempt to profile, position and brand themselves in a more competitive and global environments (Fumasoli et al. 2015). These processes can quite risky, as Clark recognized. But we do not have many studies of the failure of particular entrepreneurial initiatives, and even of entire institutions. Nor do we have enough studies of the limits of entrepreneurial efforts, of the ways in which, due to their geographical, economic, and educational contexts some universities are "doomed to be entrepreneurial" (Stensaker & Benner, 2013).

Beyond the costs that attach to individual universities, it is also worth exploring the systemic costs of universities' entrepreneurial efforts. Competition does not always breed innovation. Indeed, it often fosters imitation (Rhoades, 2007). In highly status conscious higher education systems (as well as internationally), there would be value in exploring patterns of increased isomorphism among institutions in marketing, student recruitment, and

programmatic choices can actually decrease the educational diversity of higher education systems (Hartley and Morpew, 2008; Saichaie and Morpew, 2014). Further, it would be valuable to consider whether and how with the entrepreneurial ethic and the orientation of behaving like an independent firm there can be an intersection with or a shift away from various public purposes of universities, from responsibilities to surrounding communities to nation building and positioning in the global geopolitical arena (Välimaa, 2004).

A second line of work could come from exploring policy pathways and national and global networks of entrepreneurial activity. It could be useful, for example, to consider not just the tools for university management of transforming an organization, but also the tools and understandings for policymakers of the conditions in which entrepreneurial initiative can survive and thrive. Scholars have not sufficiently considered the ways in which various aspects of the ecological context of (entrepreneurial) universities affects their ability to successfully pursue entrepreneurial initiatives. Certainly the economic, demographic, and other aspects of the communities in which universities are situated constitute delimiting and facilitating capacities for their work. Just as certainly, public policy has a role in contributing to such defining conditions.

Moreover, there may be some conditions that cut across local, national, regional, and even global boundaries. One of the more valuable contribution of Clark's work on entrepreneurial universities is his underlining of the importance of local agency. Yet he did so in looking at universities that were apparently isolated from one another, because his analytical focus was on the bounded organization. But if we think of universities as networked organizations, that opens up a range of empirical possibilities to explore. Thus, it would be fruitful to explore the formation of entities such as the European Consortium of Innovative Universities and the role that it plays in supporting and spreading entrepreneurial activity within and beyond this network. To understand the organization it is often useful to

go beyond the organization. One rubric for examining the intersection among local, national, and global agency and agencies is Marginson & Rhoades' (2001) glonacal agency heuristic. There is value in attending analytically to the intersecting entities and efforts of collectivities within and beyond individual universities, and to explore how those may play out in cross-national regions such as the European Community. So, too, it will be worth exploring the policy choices of nations by way of formally participating in such regional networks, as in the case of the U.K. and the European Community with the "Brexit" vote, and the ways that those affect entrepreneurial activity in the region.

A third line of work that merits exploration is the relationship between the positioning of entrepreneurial universities and the profound demographic and employment challenges facing higher education systems internationally. For instance, in the U.S. and Europe there are significant demographic shifts away from "traditional" student populations to growing proportions of "non-traditional" populations of potential university students. Yet most of the entrepreneurial initiative of universities in the U.S. and in countries like the U.K. and Australian aggressively pursuing international students focus on the upper quintile (or less) of students in terms of wealth, overlooking the growth demographic markets of prospective students, and increasing costs and debt to the breaking point for increasing numbers of students and families. Similarly, many countries are experiencing major influxes of immigrant and refugee populations, with many challenges and opportunities by way of integrating children in these populations into national educational systems, including into postsecondary education. Nations stand to benefit, as do regions, from addressing these challenges and opportunities in ways that individual entrepreneurial universities do not appear to be doing. Scholars should be focusing on the relationship or contradiction between such systemic strategic challenges, on the one hand, and the entrepreneurial initiatives of universities seeking more independent, self-reliant paths.

Similarly, there are important employment challenges confronting universities globally, particularly in terms of revitalizing some of society's most significant knowledge workers. Universities and higher education systems are major employers. And higher education systems across the globe face the dual demographic challenge in employment of the impending retirement of large numbers of professors along with the existing precarious, temporary employment of large numbers of junior members of the academic workforce, in various categories. System level policies are central in structurally shaping the configuration of the academic workforce (de Francesco and Rhoades, 1987). It is worth considering how the behaviors of entrepreneurial universities intersect these system level strategic considerations of producing the next generation of knowledge workers in universities and beyond. Ironically, what is foregrounded in Clark's book is the growth of non-academic support professionals in the so-called "expanded developmental periphery." Although he talks of the "stimulated academic heartland" as well, it is a reference to the embeddedness of entrepreneurial practices and culture in the basic academic units. But it overlooks the hollowing out of secure, tenure stream employment in this heartland, and the dramatic growth of insecure, temporary employment that now defines that former core of the university. Higher education scholars and policymakers would do well to attend to this fundamental shift in employment, and compromising of academic employment, as the core is being displaced by the periphery. The patterns, and the policies that shape these patterns are best understood at levels of analysis above the organization.

In closing, then, we want to bring the organization and system back together in identifying important paths of research, to leaven the consideration of the organization with the intersecting consideration of how organizational practices affect the system, and vice versa. In what ways do the individualistic entrepreneurial push of universities move them towards and/or away from the various public, community enhancing, nation building, and

larger social democratic purposes of higher education. Our aim in suggesting the above lines of research is to re-center questions not just of organizational strategy, success, and self-interest but rather of systemic strategic issues and positioning in relation to public policy purposes that are at the heart of the larger public interests at stake and in play.

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