



The Perils of the Entrepreneurial Model in University Governance

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On June 10th 2012, the University of Virginia's governing body, the Board of Visitors, announced the resignation of Teresa Sullivan, Virginia's first female president. The Board explained that her preference for collegial decision making and incremental change was costing the university the flexibility it needed to meet competitive challenges from other elite institutions and prevented it from coping with rapid social change. The uproar over Sullivan's resignation escalated quickly. Intense opposition – fueled by social media and mass demonstrations – appeared faster and with more support than anyone had anticipated. Faced with increasing resistance from all sides, the Board decided to reinstate Sullivan on June 26th.

The backstory for this debacle, the most public meltdown in university administration in a century, is a trend that should concern everyone who cares about the relationship between higher education and democracy. Sullivan was forced to resign because she did not agree with the *entrepreneurial model* of academic administration. This model gives senior executive leadership, presidents and deans, autonomy to run institutions without sharing control with faculty or graduates and places competition for students and resources at the center of academic decisions. It has become popular as state support for higher education has decreased and forced competition for limited government resources, new donors, and a decreasing pool of students.

False Assumptions about Higher Education

Proponents of the entrepreneurial model push a certain interpretation of problems in higher education – stressing that it can be made more efficient and effective with centralized controls. The terms of this discussion are set by politicians and administrators, who try to ensure that three key assumptions they make cannot be challenged. Each assumption is factually questionable:

- The model assumes that centralized executive control is needed to deal with rapid social change and competition. But in actuality colleges and universities themselves greatly influence the pace and direction of social change. New disciplines and degrees are constantly developed on U.S. campuses. On every campus, faculty-driven initiatives adapt teaching and educational programs to meet the needs of changing student bodies. The collaborative culture of colleges and universities drives social change more effectively than a centralized administration watching enrollment figures ever could.
- The model assumes that allowing shared governance in colleges and universities will lead to self-interested decisions to protect the status quo. But the credentialing process, the conferring of degrees, has to be driven by professional standards. Education sorts people into places in the larger economy. If degrees cannot be used to signal acquisition of skills, the cost of doing this efficiently will greatly increase. If professional disciplines do not determine the requirements for mastery of disciplines and insure their stability over time, who will?

- The model assumes that the purpose of education begins and ends with job placement. But American education has always had twin purposes; it has provided preparation for citizenship along with training for economically and socially productive jobs. Today, Americans hear frequent calls for civic participation and tolerance, yet the entrepreneurial model downplays preparation for citizenship. Instead, it cuts students off from advanced training in citizenship when they need it most, thus compounding ills in U.S. democracy.

The Entrepreneurial Model and Its Consequences

How could ideas based on these false assumptions become so popular? The entrepreneurial model aligns with conservative political goals advanced since the late 1960s: lowering taxes; suppressing student protests; and changing higher education from a public to a private good.

Lowering taxes has involved curtailing investments in higher education programs and shifting the cost of college to families by reducing public tuition support. Higher costs for families and institutions contribute to pressures on students to stay in line. What is more, as each college and university faces new pressures to recruit paying students and wealthy donors, more possibilities are created for corporate influence and managerial styles in higher education.

Supporters see the entrepreneurial model as the best way to adapt to this new environment. Although they usually have good intentions, problematic consequences have appeared:

- Reduced government funding has led to stagnation in the proportion of U.S. young adults completing degrees, allowing other countries to overtake the United States in higher education. The future competitiveness of the American economy is endangered.
- Attempts to undermine collegial decision-making and limit academic freedom in favor of “market-based” university governance pose grave dangers to the central mission of colleges and universities. Subverting the longstanding university system that develops and confirms worker skills and knowledge shifts higher costs to the rest of society. Undermining and destabilizing disciplinary curriculums undercuts solid foundations of scientific and technological expertise.
- Entrepreneurial governance has arguably also encouraged the disengagement of post-secondary students from politics and civic affairs. Campus activism has not declined to the low levels of the 1950s, but increasing efforts to sideline civic education and civic preparation in college life could end up encouraging anti-democratic values among students and graduates.

So what can be done? False assumptions held by people in power cannot be combatted solely by research. People in college and university communities must push back – above all by showing leaders that their initiatives are unlikely to realize their goals. The limits of over-centralization and market approaches must be demonstrated for all to see. That will take time, but resistance from within is the most likely path to success in defending longstanding university values.

Read more in Tracy Lightcap, “Academic Governance and Democratic Processes: The Entrepreneurial Model and Its Discontents,” *New Political Science*, 36, 4, (2014).