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PUBLIC SECTOR REFORM IN ITALIAN HIGHER EDUCATION: THE  
GOVERNANCE TRANSFORMATION OF THE UNIVERSITIES - A  
COMPARISON AMONG PERCEPTIONS OF RECTORS AND DEPARTMENT  
CHAIRS

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**Abbreviations:** New Public Management (NPM), Academic Senate (AS), Administrative-Technical staff (ATS), GD (General Director), Administrative Board (AB), University Researchers (UR), Rector (R), Department Chair (DC), Puntì Organico Equivalenti (POE), Administrative-Technical Staff (ATS).

## 1. INTRODUCTION

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Many governance reforms in higher education (HE hereafter) have been driven by the awareness that the quality of HE systems does not depend only on greater expenditures (Hansmann, 1999; Aghion et al., 2010). Governance plays a key role because it sets the institutional arrangements that define how a university operates and consists of formal and informal rules that allocate decision-making power and responsibilities to different subjects (Hirsch and Weber 2001). The dominant paradigm among European politicians that attempt to reform the current HE systems is New Public

Management (NPM hereafter) (De Boer et al., 2007; Braun and Merrien, 1999; Bleike et al. 2011). NPM refers to a global movement driving public sector reforms in various domains (Pollitt and Bouckaert, 2011) that is mainly aimed at introducing business or firm practices into the public sector. With respect to the HE system, NPM-inspired reforms in Europe aim at transforming university governance by mirroring corporate-like structures and ensuring university accountability as a means to manage university operations in the light of their increased autonomy (Aghion et al. 2010, Ferlie et al. 2009, Amaral et al. 2013).

However, whether such measures best suit academic sectors is still an open question. First, much work is still needed to evaluate the implementation of such reforms in the university domain (Ferlie et al., 2008). Second, the NPM idea has been challenged on theoretical grounds by contributions that point out the key role of joint decision-making processes (Fia and Sacconi et al., 2013; Facchin et al., 2018) and the detrimental effect of pay-for-performance measures on the motivation of scientists (Frey, 2016).

In this context, we want to investigate the internal governance patterns that emerged from the NPM-inspired reform of the Italian HE system (Capano and Regini, 2015; Donina et al. 2015) enacted in 2010 by law no. 240 (known as the “Gelmini Law”). As Birnbaum pointed out (Birnbaum, 2004), perceptions are better than formal written rules for measuring the authority relationships that characterize governance structures. Accordingly, we focus on how authority is distributed in the decision-making processes by investigating the perceptions of key actors of their institutional environment and, in particular, the differences among those perceptions. While the reform’s goal fits the NPM narrative, recent studies have pointed out the implementation is far from implementing a pure NPM model (Donina et al. 2015, Fia and Verde, 2013). However, the Italian reform established a verticalized governance structure with a powerful rector, with department

chairs (DCs hereafter) enjoying less representation on central governing bodies, and with the strengthening of the administrative structure. Investigating perceptions makes it possible to capture the checks and balances that have emerged in the decision-making processes in response to the formal rules (i.e., besides the letter of the law and the university statutes), thus providing further evidence about the resulting governance after the reform of 2010. Moreover, focusing on differences in perceptions among different institutional roles provides insights into the tension that may emerge in face of the streamlining of the decision-making process. Two research questions drive our research: (i) what is the *de facto*<sup>1</sup> distribution of authority that emerges after the reform? (ii) do the DCs and rectors have different perceptions of the governance arrangements?

To answer these questions in 2015 we conducted a wide-ranging survey of Italian universities, asking DCs and rectors about their perceptions of the governance arrangements. We studied their perceptions and then whether their perceptions converged or differed. The results confirmed the reform has not implemented a pure NMP model, while it has resulted in a generalized streamlining of the decision-making process. However, besides the generalized trend in terms of a verticalization, , the perceptions of rectors and DCs are not univocal: rectors tend to have softer view of the changes, while DCs are more critical. Moreover, the data show that decision-making power has been distributed differently across universities, suggesting universities have responded differently to the reform.

This paper's contribution is threefold. First, it contributes to the understanding of the ongoing reforms in the HE sector by providing new empirical evidence on the post-reform setting of Italian universities based on a unique database. Secondly, discussing the introduction of the more corporate governance structure provided by the NPM paradigm and its alternative, it offers theoretical insights for the current debate. Thirdly, it provides practical insights for the

policymakers and university leaders into the obstacles and tensions that have emerged following the reform.

The rest of the paper is organized as follows. The second section reviews the university governance debate and the literature on academic perceptions. The third section presents the Italian case and the methodology adopted. The fourth section illustrates the findings that are then discussed in section five.

## 2. THE UNIVERSITY GOVERNANCE DEBATE

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### 2.1 NPM REFORMS IN HIGHER EDUCATION

Since the 1980s, NPM has dominated the debate on how universities should be governed and has guided European politicians that attempted to reform the current HE system (De Boer et al., 2007; Braun and Merrien, 1999). The main aim of NPM reforms is to improve the efficiency and the accountability of universities by introducing business practices into universities, such as: market measures, mainly competition for students and research funding; tuition fee increases, based on the idea of training as a private good; output control in the form of academic performance assessments; autocratic mode of governance based on less representative bodies (i.e. a decrease in the representation of faculty members in university governance) and the introduction of businesspersons on the governing bodies; steering at a distance, i.e., the Ministry and its agencies set explicit targets and performance contracts (Ferlie et al. , 2008). The normative stances of NPM lie in the use of simplified P-A models that operate essentially at two levels: external (the relationship between the State and the universities) and internal (the relationship among different constituencies within the university) (on the P-A approach to HE reforms see also Enders et al. 2013). In the first case, universities are seen as the agents of the State and should be provided with

clearly stated goals and controlled through the introduction of pay-for-performance measures (Bleiklie, 1998). Namely, the State (the principal) drives and controls the operation of the agents (the universities) by establishing control and funding mechanisms based on institutional performance (Neave, 2012).<sup>2</sup> The second case refers to the internal organization and, specifically, to the definition of a clear chain of command in which the rector/president (externally appointed) acts as principal of deans/DCs, who, in turn are the agents that should respond to him/her. However, such transformations have been harshly criticized because they undermine freedom of research and teaching, the strength of which is strictly connected to participation and collegiality in decision-making (Collini, 2012; Gingsberg, 2011). Moreover, the impact of the collateral implications of output control measures on the motivation of academics has not been considered (Frey, 2016, Osterloh 2010, Muller 2017). Finally, they result in tensions between different levels of an organization, i.e. academic and administrative (Musselin, 2013).

Moreover, European policymakers take the Anglo-American system as their benchmark, seeing this as having a firm-like governance structure in which the chain of command and responsibilities are clearly set by a unilateral chain of control (Aghion et al. 2010). But whether this interpretation corresponds to the actual governance framework of US research universities is an issue that has been disentangled by Masten (2006). Masten shows that US research universities are not characterized by such a firm-like structure; rather, they are made up of checks and balances that, through various formal and informal modes of faculty participation in decision-making, preserve a shared governance mechanism. Similarly to Masten, another alternative approach in the study of university governance has looked at universities as institutions in which different constituencies undertake specific investments that consist not only in the financial investment by the State but also (or mainly) in human capital investments (Fia and Sacconi, 2013; Facchini et al., 2018).

Specifically, this approach is grounded in new institutional economic theory of the firm (Williamson, 1975; Grossman and Hart 1986; Hart and Moore 1990) and its developments (Aoki, 2010; Sacconi 1999), contending that contracts are incomplete and, in presence of specific investments, hierarchies emerge as the best coordination alternative to contracts to overcome opportunism problems. But, the unilateral allocation of authority may be less efficient for a governance structure based on checks and balances that preserve the incentives for all parties involved in the production of the joint surplus to invest (Sacconi 1999). Moreover, Aoki (Aoki, 2010) argues that in the presence of co-essential resources (e.g. when the managers need the cooperation of the workers to be able to use the financial assets in a productive way and the latter need the strategies of managers to use their cognitive assets) the unilateral allocation of control is not efficient. For Aoki efficient governance is a co-decision process involving the holders of essential cognitive assets, with the owners of the financial assets playing a role of supervision.

Universities are characterized by specific investments - e.g., to build up university-industry relationships for technological advancements or an investment for a scientific research program - that restrict alternatives and reduce mobility towards other programs. Moreover, universities are made of co-essential relationships, e.g., financial resources invested in universities are unproductive without human capital investments from different academic members. Thus, universities can be interpreted as a team production involving individuals that undertake specific investments and that have the essential cognitive assets for the production of research and teaching activities. The main aim of the governance becomes to preserve the incentives to undertake such investments by guaranteeing well-balanced rules for the division of jointly-produced benefits (Fia and Sacconi, 2013). To summarize, NPM looks at substituting contractual relationships (backed by P-A models) for hierarchical relations as the principal coordinating device between the State

and public universities and, in turn, within the universities (i.e. in the internal organization). While the alternative approach - arguing that universities are characterized by huge human capital investments that are location specific and are co-essential - contends that shared governance best suits the academic context.

However, it falls outside the scope of this paper to continue such a theoretical discussion (for a more detailed account see Facchini et al. 2018). Our goal is to make the case that this discussion is important for interpreting the governance arrangements that emerge from the NPM reforms. Below, we maintain that, to gain a thorough understanding of the institutional changes and current governance arrangements, one must analyze the perceptions of the key parties involved.

## 2.2 THE IMPORTANCE OF PERCEPTIONS IN THE GOVERNANCE DEBATE

Most of the literature about perceptions comes from the US<sup>1</sup>, although in recent times there has also been more interest in university governance in Europe, especially to assess NPM reforms. Given the extent of this paper we here review the main European-based researches.

The study of perceptions at different institutional positions is also important in the EU debate given that the introduction, by NPM reforms, of market-oriented measures and governance arrangements reshaped the internal equilibria of universities (Rostan and Vaira, 2011). For Europe, Magalhães et al. (2018) investigate, within 26 European higher education institutions, the role attributed to external stakeholders in boards, by studying the perceptions of rectors and academic members of the Senate . Rectors have a more positive attitude than Senate members about the role of external stakeholders. Moreover, rectors perceive that external stakeholders bring in important skills and

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<sup>1</sup> For a discussion on the differences between faculty and administrators in the perceptions of governance arrangements in US academic setting see, among others, Peterson and White (1992), Lawrence and Ott, (2013). Del Favero (2003), Del Favero and Bray (2010), Kaplan (2004).

outside experience to universities, while Senate members interpret external stakeholder as having a prevalent role in representing outside interests. Another study (Carvalho and Videira, 2019) investigates whether the reduction of collegial decision-making, introduced by the Portugal HE reform in 2007, has weakened the power of academics in favor of more powerful non-teaching staff or, on the contrary, has resulted in the empowerment of an academic elite. The results show that for both types of respondents participation in the decision-making process has been affected negatively. However, the authors finds that academics holding tenured positions or a position in governing units (academic elite) may have maintained or even increased their power, while the others are more subject to administrative control. Aarvevaara (2010) provides a case study of Finland, that went through a reform in 2010 aimed at decentralizing State authority to ensure more autonomy for higher education institutions. The results point out that academic freedom is primarily implemented in collegial decision-making processes that take place at departmental level, rather than at institutional level. Moreover, respondents perceived the external evaluation as undermining institutional autonomy. Lastly, the work of Carvalho and Diogo (2018) explores the perceptions of the relationship between institutional (i.e., from the State) autonomy and professional autonomy (i.e., participation in decision making) after the implementation of NPM measures in Portugal and Finland. The perceptions confirm the strengthening of organizational hierarchy and the decrease of collegiality, as well as an increase of the bureaucratic processes.

Studies focusing on academic perceptions of the Continental Europe model are of primary importance given that the effectiveness of shared governance largely rests upon the relationships among different figures of university governance (Facchini et al. 2018, Del Favero and Bray 2010).<sup>3</sup> In fact, as pointed out in section 2.1., cooperation among those who hold positions at different organizational layers (e.g. rectors who are university representatives and DCs who act as

representatives of department claims) is of primary interest. The perceptions of different figures on university governance, to the extent that they provide information on the *de facto* governance arrangements, therefore represent a major source of evidence for assessing such relationships. This paper contributes to this stream of literature by providing evidence about the Italian case as a typical Continental Europe HE system.<sup>4</sup>

### 3. THE ITALIAN CASE

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#### 3.1 THE REFORM OF UNIVERSITY GOVERNANCE

The Italian university system is composed of 65 public universities with 835 departments.

The pre-reform governance of Italian public universities involved, on the one hand, a major role of the Faculties, which together with the Faculty Deans, were responsible for teaching activities; on the other, the departments which, together with the DCs, were responsible for research activities. Moreover, the rector, elected by the faculty usually from among the Deans or DCs, played a pivotal role. The rector was flanked in his/her operations by both the AS, composed of all the Deans and a representation of the DCs and by the Administrative Board (AB), consisting of a representation of professors and administrative-technical staff (ATS). The most important decisions were, as a rule, taken by the Academic Senate (AS) where AB verify their formal legitimacy. Finally, the administrative director was responsible for implementing such decisions.

The Gelmini Law introduced several changes. As regards the organization of universities, the departments have also assumed the responsibility of teaching activities, thus making the faculties disappear. That is to say, the DCs also perform the functions previously pertaining to the Deans. As regards governance, the main changes have been: an increase in the power of the rector (but

still elected)<sup>5</sup>, of the AB and of the administrative director, who has changed into a general administrative director (GD)<sup>6</sup> and a reduction in the importance of the AS, which has maintained a role for the structure of teaching and research, but has been downsized compared to the past<sup>7</sup>; the transformation of the composition of the AS such that not all DCs are normally present in the AS (and therefore not all departments are necessarily represented); the presence on the AB of persons from outside the university (but normally appointed by the AS).

The initial intentions of the legislator can be traced back to the NPM paradigm. Capano and Regini (2015) point out how NPM principles, have also influenced universities in Continental Europe, Italy included. Donina et al. (2015) also argue that the Italian reform has been influenced in its *aims* by the NPM narrative, but, *in practice*, they underline the differences between the rhetoric of the reform and the implementation. According to Donina et al. (2015), the governance arrangement resulting from the reform, better fits the Neo-Weberian category rather than the NPM. Specifically, in this narrative, there is still a prominent role of State that acts as an external regulator and a central role of academic self-governance.<sup>8</sup> We do agree with them that the pure NPM model has not been implemented, however, even if NPM intentions were moderated in the final text of the reform (Fia and Verde 2013; Capano and Bull , 2010), the resulting governance arrangement still gives more power to the rector, diminishes the role of the Senate, enhances the role of the AB, reshapes the representation of departments at institutional level and, finally, introduces a new figure of the GD enhancing her/his one-way relationship with the rector. Moreover, the law introduced, for key decisions, a system of proposal/approval between governing units (AB, rector and AS), creating the premise for maintaining the involvement of faculty members in decision-making processes (vs. a top-down chain of command). However, the law seems to move the problem of the faculty members' self-referentiality to place it at the on the administrators, who, in fact, are not obliged to

consider the Senate's opinions as binding ( Fia and Verde 2013; Fia et al. 2016). Therefore, even if we acknowledge that there is a substantial distinction between the *aims* and the *implementation*, the resulting governance framework has nevertheless introduced changes in the distribution of power within Italian universities.

Even if some analyses of the reforms already exist (see among others: Capano and Regini 2013, Viesti 2016, Capano et al. 2016, Donina et al. 2015, Donina and Paleari 2018), until now there have been no national surveys that systematically/extensively investigate the perceptions of the main actors involved – namely DCs and rectors – about the current internal balances for the general governance structure. Consequently, we conducted a survey between June and November 2015 on all universities and departments of Italian universities. The survey was carried out under the patronage of CRUI with a network of departments and research centers.<sup>9</sup>

In accordance with the two stated research questions, the aim is to understand:

- (i) the *de facto* governance patterns established after the reform besides formal rules and statutes, we studied the perceptions of DCs and rectors on the decision-making process at university level identifying whether generalized patterns/trends have emerged;
- (ii) the tensions that characterize the current governance architecture, we investigated the differences in the perceptions of rectors and DCs about the decision-making process.

With respect to (i), we expected the answers to be substantially aligned with the generalized changes highlighted above, but such changes may have occurred differently for different types of decisions. Moreover, in responding to the legal framework, universities may have redesigned the influence of various figures in the decision-making process with different degrees of intensity, giving rise to a plurality of governance patterns.<sup>10</sup> With respect to (ii), we expected differences in

the evaluations might arise during a more detailed analysis of answers to uncover the specific nature of the organizational as regards the perception of the institutional structure.

### 3.2 SURVEY METHODOLOGY

The questionnaire was structured into two large sections. The first comprised questions relating to the coordinated structure and the main characteristics of the interviewees. The second part, on which we will focus here, was specifically devoted to the governance structure of the university. Respondents were asked (i) to give a score - from 1 to 5 <sup>11</sup>- to the role played by the various subjects involved in the decision-making bodies (rector, GD, DCs, other members of the AS, ATS' representatives, students' representatives) not only of the general structure but also of the main issues (overall budget of the university, distribution of research funds among the departments, management of the ATS, building plan); (ii) to indicate the ways in which, according to the interviewees, decisions were normally taken. This part also included questions concerning the assessments of changes in recent years, both in decision-making processes and in relation to the financial resources the universities and departments have had available.

The questionnaires were sent to all rectors and DCs of Italian universities. To administer the questionnaire, we used the CAWI mode (computer-assisted web interview). Despite the complexity and length of the questionnaire, the overall (considering public and private universities) response rate was high (around 45% for the rectors, 41% for the DCs). In our analysis, we considered only the DCs whose rectors replied to the questionnaire, even if this obviously led to a downsizing of the sample. To conclude, the respondents considered in this analysis were as follows: 36 rectors out of the universe of 65 rectors (55%) and 183 DCs out of the universe of 835 DCs (22%).

## 4. FINDINGS

Below we set out the results on the current governance structure (4.1) and on the evaluations of the changes occurred (4.2).<sup>12</sup>

## 4.1 GOVERNANCE STRUCTURE

### *4.1.1 Decision-making process in the most important decisions*

In this section we analyze the role played by the various institutional figures on the most important decisions regarding: the overall allocation of the budget assigned to the university by the Ministry; its distribution among the departments; the allocation of resources for recruitment/career advancements (POE – Punti Organico Equivalente); the allocation of the ATS .

It is worth noting that in the same years of the implementation there was a reduction in the funds allocated to universities (Regini 2015, Viesti 2016) and, consequently, the resources available both for research and for recruitment/career advancements for the faculty and ATS. Moreover, in line with the NPM paradigm, performance-based rewards have been introduced at Italian universities (Dal Molin et al. 2017, Lumino et al. 2017).

Regarding the budget (Figure 1), if the centrality of the role of the rector and the AB is a common perception for all the respondents, there is however a plurality of situations regarding the role played in the decision-making process by the AS, the DCs and the DG: in some places this role still remains relevant, in others, it has been resized to a greater or lesser degree. Specifically, both rectors and DCs attribute a central role to the rector (the ‘extremely’ exceeds 50%, the ‘very’ is more than 30%) and the AB (AB is at least very influential for more than 75% of both respondents). However, the rectors accentuate the role of the AB and, contrary to what DCs do, tend to attribute a slightly more influential role to the other subjects involved in the process. Moreover, the difference between rectors and DCs regarding the role assigned to the DCs and AS seems to be

particularly significant: for both types of respondents, few are those for whom AS's and DC's role is extremely important (1-4% for the AS and DCs), while their role is 'very influential' for about 43% of the rectors, for DCs it drops to 20% and 17% respectively for the AS and DCs; at the same time, while it is 'slightly influential' for 25% to 10% of the rectors, it is for 33% to 38% of the DCs and the DCs are 'not at all influential' for any rectors, but for almost 10% of the DCs.

**Figure no. 1.** How influential are these figures in the decision-making process for a university's budget?

The patterns of the evaluations of the role played in decisions about resources assigned to the departments are substantially similar to what was found in the previous paragraph (Figure 2): again, the main role is attributed to the rector and to the AB, with scores of 'very' or 'extremely' (over two-thirds). However, it is worth noting that the influence of the rector and AB shifted from 'extremely' in the decision regarding the budget to 'very' in the allocation of resources. Moreover, the influence attributed to the AS and the DCs is more limited, but again, while a few rectors evaluate the role played by the other subjects involved in the decision-making process as limited or nil, there are many DCs that attribute a limited if not null role both to the AS, and above all, to themselves (almost half).

**Figure no. 2.** How influential are these figures in the decision-making process for resource allocation among the departments?

The patterns of the evaluations regarding the allocation of resources for recruitment/career advancements (POE) (Figure 3) are similar to those for resource allocation. In fact, both the rectors and the DCs attribute a central role to the rector (the rector is at least very influential in 90% of cases) and to the AB (the AB is at least very influential in 50-60% of cases), while the influence attributed to the GD is limited ('slightly' or 'null' is about 70%). Moreover, differences in the evaluation of the AS and DCs show similar patterns as for the previous decisions. According to many rectors, AS and DCs play an important role (in about two-thirds of cases), while the DCs have different perceptions (the 'extremely'/'very' reaches less than 40% and 20%, the 'slightly' or 'null', 30% and 50%).

**Figure no. 3** How influential are these figures in the decision-making process for the POE?

Finally, we examine the decision-making process for the allocation of the ATS (Figure 4). The data show the common influence attributed to the GD (more than 80% of respondents answered 'extremely' or 'very influential'), followed by the roles assigned to the rector and the AB. The evaluations become markedly different for the role played by the AS and by the DCs: important, even if not central according to the rectors, decidedly less important according to the DCs. The 'slightly' or 'not at all' options are, for rectors and DCs, less than a third and more than half, respectively, for the AS, a quarter and almost two-thirds for the DCs.

**Figure no.4** How influential are these figures in the decision-making process for Administrative-Technical Staff (ATS) allocation?

So far, the data shows, in line with the intent of the reform, a common trend in which the rector and the AB have a great influence in the decision-making process for all decisions. At the same time, the analysis shows the rector has relatively less influence in the decisions most closely related to teaching and scientific activities (compared to budget decisions), while the AS and DCs have a greater influence. In terms of decisions about ATS, the relatively smaller influence of the rector corresponds to the GD being very central (see also Facchini et al. 2018). In addition to that, besides the general trends, the patterns of influence of the AS, DCs (and partially also for AB and GD) shows interesting variability. A possible interpretation can be that universities have responded differently to the common legal framework of the reform by implementing (or not) checks and balances that shaped the *de facto* decision-making process. Some universities might have transposed the patterns of centralization of decisions in the hands of the rectors and AB as prescribed by the law, or vice versa others have responded to the law indications with a broader involvement of the other institutional actors.

#### 4.1.2 Decision-making process in the Academic Senate and 'informal' involvement of Department Chairs

Let us now consider the opinions of the rectors and DCs on how the various figures that are part of the AS affect the decision-making processes (Figure 5). The data confirm again the general trend that emerged from the reform: a centrality of the rectors, lesser influence of the DCs and non-DC professors, and an even smaller role of the representatives. Specifically, the evaluations of rectors and DCs agree in attributing the fundamental role to the rector (the 'extremely' is around 60-70%,

to which we can add a 40-30% of 'very'), followed by that attributed to the DCs (about 60% of 'very' and another 20-30% of 'somewhat'); the role attributed to non-chairs and researchers was somewhat less, while the role assigned to the other figures – representatives of the ATS and of the students – was decidedly lower. An evaluation of a reduced role played by the ATS representatives is shared by rectors and DCs (but more in terms of 'slightly' for the rectors, 'not at all' for the DCs).

However, it is also interesting to note that despite the general trend, rectors and DCs have fairly dissimilar evaluations of the same role played, within the AS, by the different figures on it. For example, with regard to the role played by the rectors, 'extremely' is about 60% for the rectors, but 70% for the DCs. Vice versa, as regards the DCs, the 'very' or 'extremely' is around 80% for the rectors, but around 60% for the DCs. The differences about the role attributed to the 'non' DC professors shows greater discrepancies: the 'very' concerns half of the rectors but less than one-sixth of the DCs, the 'limited' or 'nil' is respectively less than 10% and one-third. Furthermore: the role of representatives of the ATS and of the students is equal to 'very-somewhat' for about 60% and 75% for the rectors, but falls to 40- 50% for the DCs; at the same time, some of the latter – and they are almost the only ones – see these representatives as having 'nil' role. The rectors seem, on the one hand, to downsize their role and accentuate that of the DCs and, on the other hand, to avoid giving a null or very limited weight to some of the figures present, i.e. the representatives of the ATS and the students. It seems that they wanted to give a more balanced picture of the power relations between them and the DCs and, at the same time, they want to recognize a role to non-leading figures.

**Figure 5.** Beyond what is formally established, how much do the figures shown below affect the decision-making process of the Academic Senate?

### 4.1.3 The 'informal' involvement of the Department Chairs

The reform no longer requires the presence of the DCs on the AS. However, some statutes continue to require that all DCs be present on the AS, while others do not. In the latter case, the DCs are not involved in the formal decision-making process for governance. To grasp the concrete articulations of the decision-making process, it was important to verify whether, in addition to what is formally established by the statutes and regulations of individual universities, there is in any case, in the practice that characterizes the decision-making process, some involvement of them through meetings, formal or informal, organized by the rectors. To investigate this aspect, the questionnaire asked whether there were any formal or informal meetings organized by the rectors to address the issues of greatest importance (research resources, POE and ATS) and, if so, what was the level of formalization and what was the annual frequency. Thus, we asked for an answer about elements that should be 'objective', for which one could consequently expect a substantial homogeneity of the replies from the rectors and the DCs. However, there is a significant gap for this issue. On the one hand, the involvement of DCs is more frequent for POE decisions (only in little more than 10% of the cases was no meeting held), but far less for the ATS (a topic on which there was no meeting in almost half of the cases). On the other, while the majority of the rectors said that these meetings were held at least twice a year, for the DCs, there was a higher percentage that declares such meetings were at most twice a year and/or more informal in nature.

What we want to emphasize is that rectors and DCs have again fairly dissimilar perceptions not only of decision-making processes but also of the involvement of the DCs in these processes. From

our point of view, it is secondary that this discrepancy is indicative of different readings of the processes underway or is the result of an overall 'image' that one wants to give of the reality in which one operates. For example, rectors want to present a picture more marked by the balancing of roles, the sharing of decision-making processes and an overall positive attitude; while DCs see a reality more characterized by power imbalances, tensions and resource resizing. Our interest is that this differentiation inevitably generates friction between rectors and DCs in the medium/long term, i.e. among the top figures of universities.

#### 4.2 EVALUATION OF THE CHANGE OF DECISION-MAKING PROCESSES AND ROLE OF THE GENERAL DIRECTOR

This section looks at the changes introduced by the reform with respect to the overall decision-making process and the evaluations given to the new role of the General Director (GD).

Firstly, it should be noted that, according to the legislative provisions and the objectives of the law, both rectors and DCs attribute an increased weight to the AB, the rector and the GD, and a reduced role to the SA (Figure 6). However, also in this case, rectors and DCs read the changes that most concern them differently. On the one hand, among the rectors there is an increase in the percentage of those who believe that their influence has not changed (42% against 32% of the DCs), on the other hand among the DCs, an increased percentage believe that there has been a significant downsizing of their influence (38% of the DCs against 13% of the rectors). Most likely, this discrepancy may also be due to the fact that, in their comparison with the past, the rectors make reference to the role of the previous DCs (which in fact had a limited role in decision-making processes), while the DCs, many of whom were previously faculty's Deans, relate with the

prerogatives previously assumed by these figures whose functions are, in fact, assumed by the current DCs. In any case, these data also delineate very different perceptions of decision-making processes that should be taken into account.

**Figure no.6** With respect to the period prior to law no. 240 / 2010, what is, in your opinion, the change in the influence of the following figures, compared to the overall decision-making process of the university?

Even more different are the assessments about the role the new regulation gives to the GD: generally positive for the rectors, but negative for the DCs (Table 1).

Those differences may be (at least partially) due to the fact that the new role attributed to the GD and, in particular, the centralization process of the ATS's management has had differing effects in central administrative offices and departments. We can hypothesize that the changes have impacted the departments heavily as the ATS no longer respond to the departments but to the central offices. To some extent, this has reduced their managerial work, but it has also greatly resizing - if not cancelled - their role in the management of the ATS at departmental level. Contrary to that, the rector now a single interlocutor (the GD) for ATS issues, equating to a simplification of the new organizational structure.

**Table 1** Considering the greater role attributed to the GD since law no. 240 / 2010, what is, in your opinion, in practice the effect on the organizational structure?

## 5. DISCUSSION

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The changes occurred in governance arrangements in the context of NPM university reforms in Europe challenged the norm of a collegial mode of governance (Musselin, 2013). How the NPM paradigm took root in universities characterized by traditional collegial governance models and how the institutional changes have been *de facto* implemented are issues that have to be investigated (Paradeise et al. 2009; Ferlie et al., 2008). In this direction, our results contribute to providing evidentiary elements showing how the Italian reform has been implemented. We focus on the changes in the internal governance structure introduced by the Italian reform of 2010 and study the perception of rectors and DCs about the decision-making in the post-reform setting.

For the first research question (i), we find support for the existence of a common trend that confirms the mitigated NPM traits of the reform as implemented (vs. its aim). Both categories of respondents recognize that a more concentrated governance structure has been implemented: the powerful role of the rectors, of the AB and of the GD and a diminished role of the AS (Figures 1-6). Moreover, results show that the verticalization is more evident for decisions closely related to teaching and scientific activities (with respect to budget decisions or decisions on staff personnel). While Aarrevaara (2010), analyzing the degree of influence of different figures in decision-making, points out how academic freedom is primarily implemented at departmental level, we show that, at the institutional level, the concentration of decision-making power in the hands of administrators is greater for non-academic matters, and vice versa.

Interestingly, the reading of the findings at a more granular level shows that a plurality of checks and balances characterize such verticalization in different ways. Specifically, the answers on

influence show various arrangements in which the rector might have a great deal of influence, but the DCs do not have much influence, and other figures do not have any weight in decision-making or vice versa. This can be seen graphically by the not unique response rate of influence on each figure: in fact, there is variability among the weights attributed to different figures in the decision-making process. Therefore, despite a common legal framework, universities have enacted differentiated responses that variously introduce informal adjustments/adaptations and counter-balances that define differentiated governance arrangements. This suggests universities have enacted measures that tend to introduce rebalancing actions to the changes introduced by the reform of 2010 ( Facchini et al., 2018). According to the theoretical argument introduced in section 2, we argue that the rebalancing actions may be intended to prevent opportunistic behavior (or abuse of authority) that may emerge from a concentration of power (namely the risk of self-referentiality of administrators) and that would otherwise expropriate investments (Ibidem).

Turning to the second research question (ii), the findings highlight the, even partial (we do not neglect the common trend described above), dissimilarity in the response from rectors and DCs. Such differences can be found in both the overall decision-making process for the AS (Figure 5), and in single decisions (Figure 1 to 4) as well as in the perceptions on changes (Figure 6 and Table 1). The introduction of external stakeholders on boards together with its strengthening is an element that characterized the Italian reform. Accordingly, the differences in perceptions that emerge from our results suggest, in line with Magalhães et al. (2018), that DCs are more critical in their reading of governance than the rectors. Interestingly, our results also show that DCs see the AB, GD and rectors having a greater influence in the decision-making process than rectors do. In the light of the Carvalho and Videira (2019) studies on the *deprofessionalisation process* (that shift powers from academics to administrators), our results suggest that DCs may perceive the changes introduced by

the law as potentially undermining their autonomy. The interactions between faculty and rectors suggest underlying tension in the post-reform context. Specifically, there are more positive and more 'conciliatory' representations for the rectors, by contrast, the positions of the DCs are more critical indicating a specific downsizing of their role. On one hand, the rectors convey a reality more marked by the balancing of roles, the sharing of decision-making processes and an overall positive attitude. On the other, the DCs provide a picture characterized by power imbalances and tensions. Such tensions can be interpreted also in light of the changing role of academic leaders within universities as a consequence of NPM reforms. Namely, the pressure to shift from "academic leaders" to "managers" (Henkel 2002) had numerous consequences in terms of causing evaluation and belief asymmetries not only among DCs but also between DCs and rectors. This may imply that in the medium-long run there will be negative effects on the organizational climate and therefore on relationships, and this could hamper how universities function. Therefore, we maintain that the differences that arise can indicate the extent of the tensions that, within certain limits, may work as an engine, but beyond certain limits may have detrimental effects.

Therefore rebalancing actions together with differences of evaluations between rectors and DCs and, in particular, the problems that implicitly arise from the responses of the DCs, suggest that there is a need to rethink the reform given that production at universities can benefit from different theoretical approach that highlight the team production nature of universities. Further research trajectories are aimed at investigating the determinants of such plurality (for a preliminary discussion see Facchini et al. 2018).

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<sup>1</sup> The term *de facto* identifies that we are using the perceptions of how power is allocated to determine (besides formal rules) the locus of authority in the decision-making process.

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<sup>2</sup>Governmental established agencies have been the policy tool to control and steer universities, according to the NPM ideal. However, the implementation of such governance instrument has been differentiated. For example in Italy, its functioning undermined the capacity of the State to effectively drive universities at a distance, (see Capano and Turri, 2017).

<sup>3</sup> The effectiveness of shared governance, according to del Favero and Bray (2010), requires “joint effort” and “inescapable interdependence” among administrators and faculty members.

<sup>4</sup> The Italian university system together with the German one represents a typical governance model in the tradition of Continental Europe (Lazzeretti and Tavoletti, 2006). Such a model has a "combination of academic corporations and state bureaucracy" (Clark, 1983, p143)..

<sup>5</sup> See Law no. 240/2010 art.2.

<sup>6</sup> The GD's role regards the overall management and organization of services, equipment and of the administrative staff. In this framework the departments are the locus of teaching and research activities.

<sup>7</sup>. See Law no. 240/2010 art 2, c.1. letter e). For a detailed analysis see also Fia and Verde.(2013) and Fia et al. (2016).

<sup>8</sup> According to the three narratives identified by Pollitt and Bouckaert (2011) to evaluate public sector reforms as translated by Ferlie et al. (2008) to the HE sector (NPM, Network governance and Neo-weberian narrative), three core dimensions are implemented differently by each narrative: External guidance (State decentralization and steering at a distance), Competition (for resources, students and talents), Academic self-governance (diminishing democratic-decision making and introducing external stakeholders), Managerial self-governance (verticalization and centralization of decision-making powers). For a discussion on how different narratives described the implementation of HE reforms in Italy see Donina et al. 2015.

<sup>9</sup> EconomEtica research center based at University Milano Bicocca, the Department of Sociology and Social Research of the University Milano Bicocca, and the POLIS department of the University of Piemonte Orientale, and it has been sponsored by the CRUI.

<sup>10</sup> Outside the scope of this paper is to build a categorization of different governance patterns given our main focus on differences in perceptions. However, here we interpret the plurality of governance arrangements by pointing out the absence of univocal responses from the categories (i.e. there are different intensities in the influence of various figures) and the presence of differences with respect to different decisions.

<sup>11</sup> Respectively corresponding to: not at all influential, slightly influential, somewhat influential, very influential, extremely influential.

<sup>12</sup> Please note that the figures 1-6 below shows the perception of rectors (R) and department chairs (DCs) for each figure involved in decision-making

**Lists of Figure and table**

**Table 1** Considering the greater role attributed to the GD since 1.240 / 2010, what is, in your opinion, in practice the effect in the organizational structure?

	R %	DC %
Mainly negative repercussions	12,0	62,3
Mainly positive repercussions	76,0	16,7
No centralization of fact, in practice the PTA continues to respond to the Department Directors	12,0	21,0
Total	100,0	100,0

Figure n. 1. How influential are these figures in the decision making process regarding University Budget?

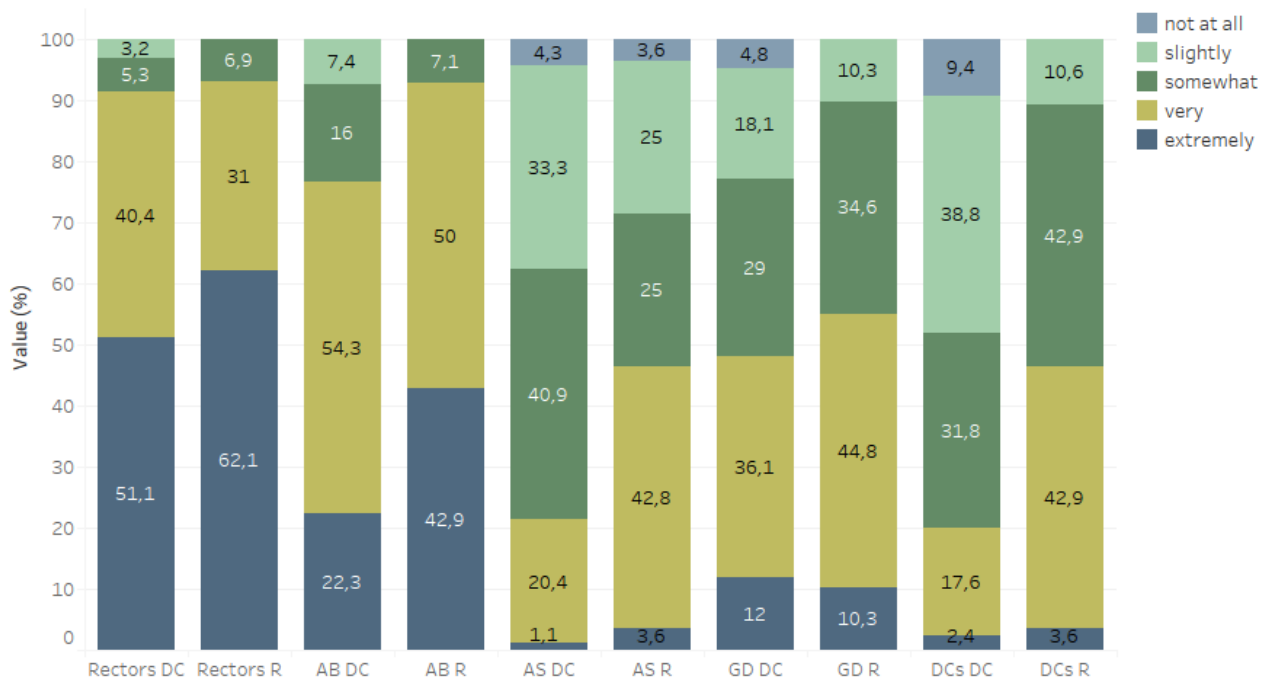


Figure n. 2. How influential are these figures in the decision making process regarding resource allocation among the Departments?

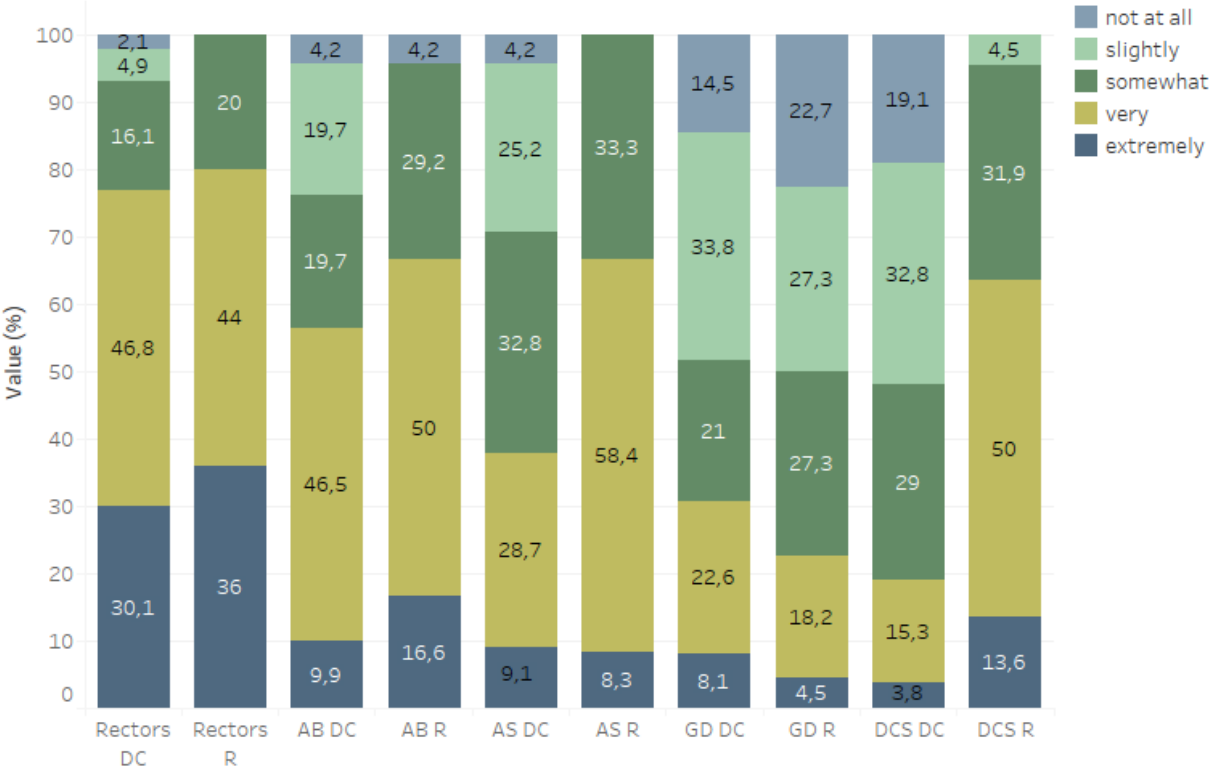


Figure n. 3 How influential are these figures in the decision making process regarding the POE?

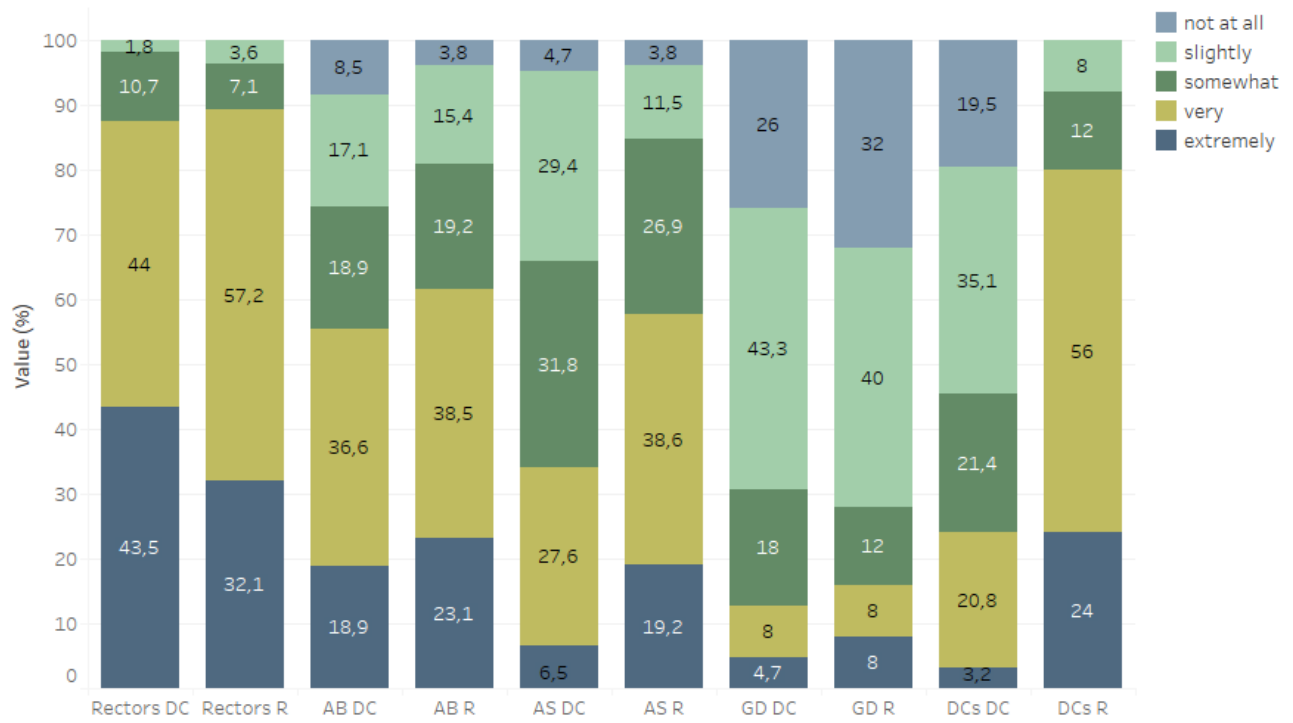


Figure n.4 How influential are these figures in the decision making process regarding ATS allocation?

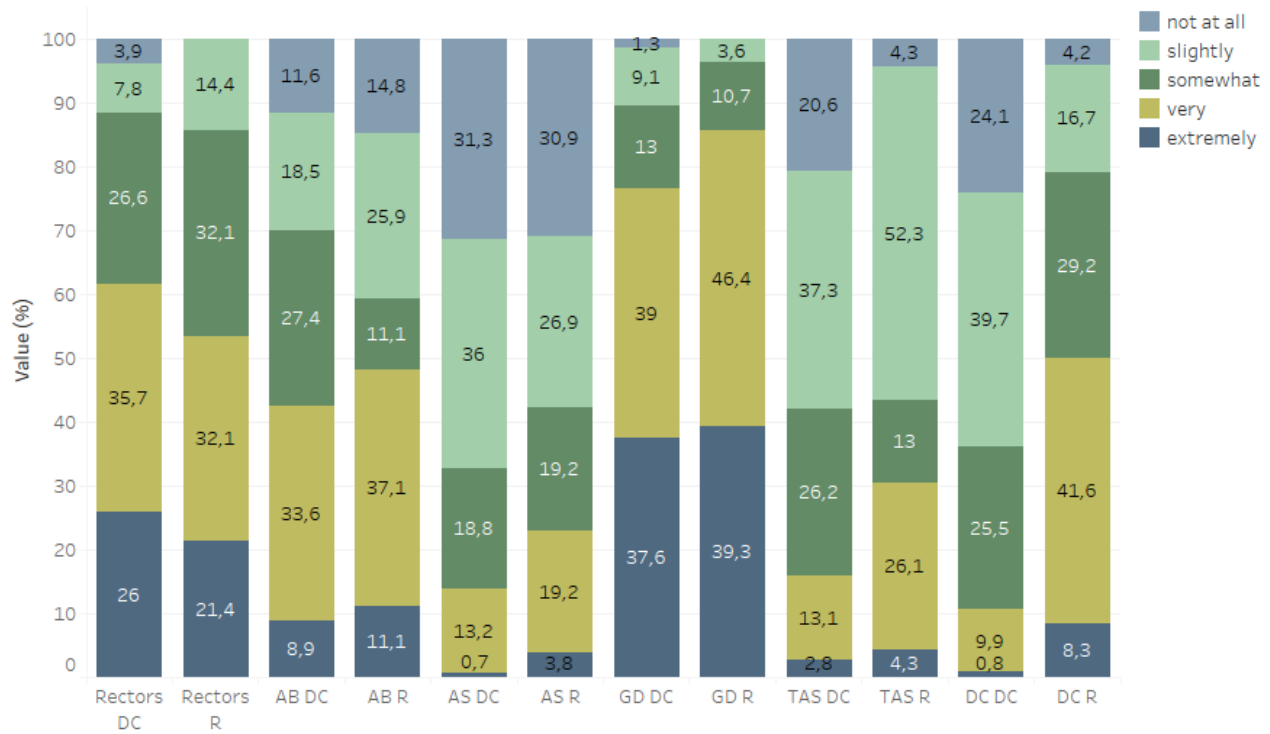


Figure n. 5. Beyond what is formally established, how much do the figures shown below affect the decision-making process?

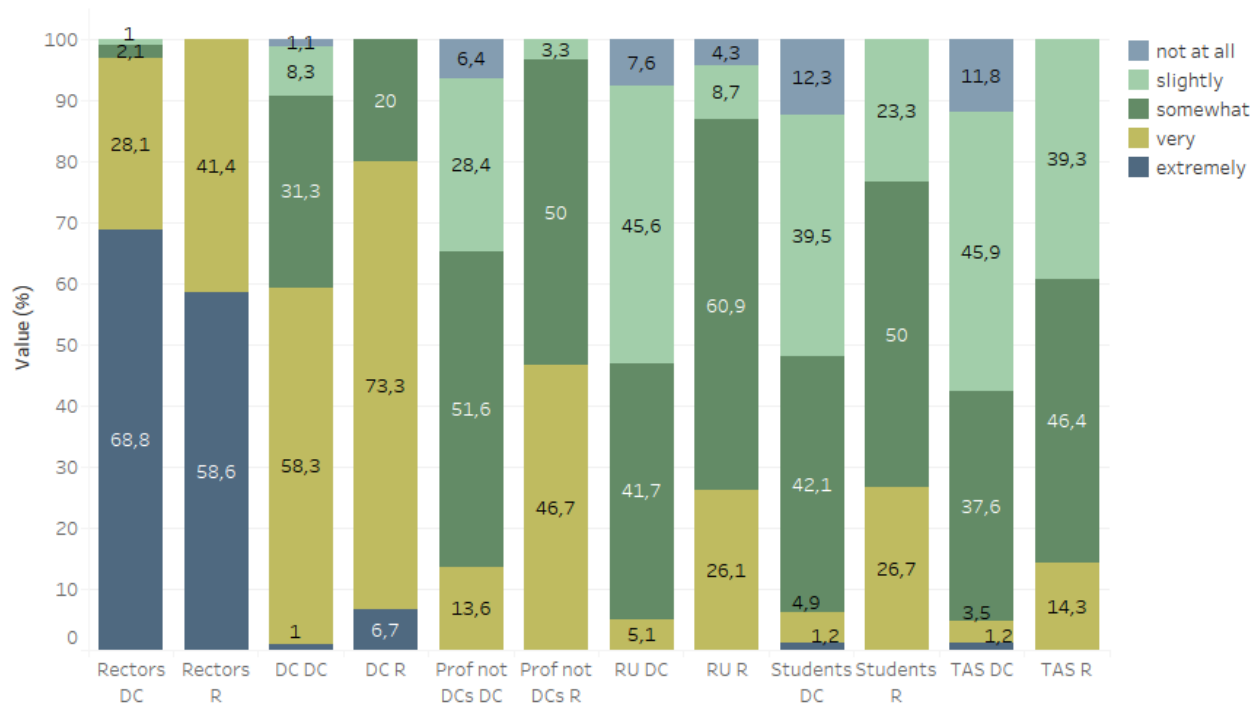


Figure 6. With respect to the period prior to 1.240 / 2010, what is, in your opinion, the change in the influence of the following figures, compared to the overall decision-making process of the university?

