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Models of Institutional Culture and Governance: A Literature Review

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Abstract:

In every organization, human beings continually interact with each other and with their environment in order to understand such environment through interpretations. Common language, understandings and history are developed leading to diversity of cultures. Culture therefore is very important in the lives of men and organizations. Human beings are born into culture, live and grow in it and eventually die in culture. No human being can outlive culture because it shapes the course of our lives, affects what people do and think. Through interactions create social reality. Culture therefore shows the processes through which an institution bridges tension between rationality and sense making. This article examines existing governance models which had become institutional culture in various higher education institutions. The review focuses on five models of governance comprising, collegial, bureaucratic, political organized anarchy, and entrepreneurial.

Keywords: *Governances, culture, models, institutions and environment*

1. Introduction

In higher education, times have really changed as the concept of governance has become very complex. It is not peculiar to the not-for profit organizations alone but also affects multi-national organization. The rat race therefore is to find lasting solutions to myriads of problems confronting organizations including higher education institutions.

This article suggests that higher education institutions have unique cultures compared to other organizations and there is the need for academic institutions to have their own culture of governance in order to achieve institutional missions. In essence, the question emanating from this review is the; what model of institutional culture is appropriate for academic institution's governance?

In literature, the concept of institutional culture and governance is well documented by notable researchers (Benjamin and Carroll 1999; Kaplan, 2006; Melville-Rose 2010; Turri & Reborah 2009; World bank 2000). According to Kaplan (2006), the term governance priorities important matters of policy and strategies for collective entity but in higher education, it considered how decision are made; process and procedure involved which precedes and understanding of the overall decision. Benjamin & Carroll (1999) consider governance as a policy focus that is relevant in providing solutions to higher education problems. The World Bank distinguishes between formal and informal governance that encourage action and decision – making processes. The former is officious and clear as rules while the later consist of unclear actions which nonetheless are essential to the achievement of higher education goals. The World Bank (2000) also provides guiding principles and tools for governance. The principles include; academic freedom, shared governance, clear right and responsibility, selection by merit, financial stability, accountability, standards monitoring, and human relations (the World Bank, 2000), while tools consist of; stakeholders, institutional policies, charters and handbooks (the Bank 2000).

This article is divided into three sections. The next section examines the model of institution culture and governance while the last section concludes the article.

2. Models of Institutional and Governance

Turri & Reborah (2009) assert that in literature; there is no acceptable definition of the term governance. Recognizing the behaviors of individuals, they adapt the studies of Olsen (1988) who considers governance as a structure of two opposing perspectives. The two basic assumptions are, whether policies and actions are driven by external stakeholder which is instrumental or by internal requests and called institution (instrument versus institution perspective), two, whether policy – makers aims and standard of behaviors are shared or conflicting (shared versus

conflicting aims). However, Turri & Rebora (2009) content that these perspectives produced four steering models relevant to higher education using aim as factor of comparisons.

- Under the institution perspective, aims not conflicting, is regarded as 'community of scholars governed by shared rules while the steering model represents a sovereign and bounded rationality. On the other hand, conflicting aims make the institution a representative democracy while the steering model is corporate pluralistic.
- Under the instrument perspective, aim not conflicting make the instrument political agenda while under conflicting aims, the institution becomes a service enterprise embedded in a competitive market. The steering models are the institutional and the supermarket model which pave the way for the make mechanisms in the governance of institutions' (Turri & Rebora 2009).

However, Turri & Rebora (2009) modified Olsen model which is considered ideal for the Italian system of education. The new model produced four models of governance. They use the theory of locus and focus to explain human behaviors. Locus tests whether the success of an action is a direct result of behavior or through external forces while focus is concerned with shared and conflicting interests where consensus is missing from public opinion. Turri & Rebora (2009) distinguish among the models as follows:

- The internal locus and rational focus depict internal strategic governance of intellectuals who can govern themselves, are influential key leaders within the institution and formulate strategies.
- The internal locus and conflicting represent internal negotiation – based governance of those who can still govern themselves but no clear leader emerges and decisions are made through multiple or conflicting processes. Such governance is best described as 'alliance of independent feud'.
- The external locus and rational focus is external strategic governance where the institution finds it difficult to use its strategy to achieve its missions but rather responds to external request and succumb to external key players and institution became 'an instrument of public policies' when the system is coherent and the players adopt shared strategy system, and the last ,
- The external locus and conflicting focus refer to as external negotiation – based conflicting governance where the institution cannot define and use a unitary strategy due to the objectives of the key players which must be satisfied and are numerous, heterogeneous and even conflicting. What manifest is complex changeable relationships among institution leaders without hierarchical structure which is described as 'pluralist or fragmented network' (Turri & Rebora, 2009).

In a report on what constitute an effective and high performing governing body in UK higher education, Melville-Ross (2010) peruses the archives of the Higher education funding Council in England (HEFCE) and enumerates the factors that contribute to enabling effective governance and the outcomes from such factors. The factors are:

- Good leadership and governing body dynamics
- Good governance structures and processes;
- Good governing body membership;
- Commitment to vision, organizational culture and values
- Good performance monitoring and measurement;
- Good information and communication

2.1. *Effective Governance Result Are as Follows*

- Achievement of the strategic plan
- Achievement of the financial health;
- Compliance with accountability and regulations
- Provision of academic quality and service
- Innovation support and ensuring regular risk assessment;
- Achieving institution reputation and competitiveness
- Institutional governance must be challenge;
- Executive support and constructive challenge
- Other results relevant to higher education institutions.

In a similar study, (Taylor & Miroiu 2002) contend that three models of governance exist in higher educational institutions. The state control model where government control looms large in every facet affairs of the institution while the day-to-day operations is conceded to the institutional managers. The second is the state supervisory model characterized by freedom of management by the institution and they direct their future affairs and determine the priority goals of the institution. This model they term 'new managerialism' and consist of features such as; leadership and administrative promotion, goals setting according to importance, customer-based efficient rate of return on higher education investment. The market model is the third (Talar & Miroiu, 2002). The market model according to Chevaillier, (2002) is defined as model of coordination of autonomous entities through which goods and services are sold and purchased in higher education. In marketing model represents a major power which enables institutions to sell their services to the students and other intending buyers.

In supporting organizational culture, Johns et al. (1989) advise that organizational culture must be understood in order to avoid ineffective action which can result from mismatch of action and culture. Quoting from the work of Schein (1985), he opined that an organization must develop culture that will adapt to its changing environment, and build and maintain itself through internal integration processes. He also distinguishes culture as a change process into primary and secondary mechanisms. The primary mechanics includes; what draw leaders' attention most, their reactions to crises and

critical incidents, role modeling, teaching and coaching, rewards allocating criteria and status determining, selections, promotion and termination criteria. The secondary mechanisms on the other hand is; systems and procedures for organizational structure, space, building and facades; store and legends about important people and events and philosophy and policy statement that are formal in nature.

Commenting on the experience of University of Cardiff's financial difficulties, Shattock (1988) views it from cultural perspective. He said 'Organization culture is a crucial element in the management of an institution. Good financial management is dependent on a positive organizational culture and an ineffective exhortation through the medium of efficiency reports or governmental pressure. An effective organizational culture needs to be developed and maintained over many, there are no short cuts'. However, institutional culture differs from institution to institution. No two institutions have same culture but are similar in nature because perform the same service even though they serve different markets.

However, there are so many approaches or models to institutional culture. Many researchers (Baldrige 1971; Sanyal & Martin, 1997, Brinbaum, 1988; Kogan & Becher, 1980; Baldrige et al. 1978) explain different models on institutional culture. They include:

- Collegial
- Bureaucratic
- Political
- Organized anarchy
- Entrepreneurial

2.2. Collegial Model

In collegial' model, an institution is characterized as being democratic and egalitarian where members interact informally. Equality of members prevails and hierarchy is not considered important and as issues of paramount importance comes up, every member is given right and opportunity to participate. As regards decision making, consensus dominates and does not require unanimity. Due to the nature of equality a leader is elected not appointed and members perceive him as someone with extraordinary powers not available to others. To them, he is not a boss likeness among the members within the institution increases. But it is noted that collegial model is exposed to some drawbacks even though some of them are contested. For example, it takes longer time before a major decision can be reached; does not encourage accountability, can be practiced among small members and the issues of positive relationship of integration of likening may be inconsistent most especially when a new staff joins the institution (Brinbaum, 1988).

Sanyal & martin observe that an institutional head under collegial has less power and enjoy short period of time in his position. Administration is generally weak and only logistical support in given (1997).

To Kogan & Becher (1980), collegial model represents a domain where relevant information is widely circulated and accepted among members, appeals procedure is established, academic freedom encourages and in small consensus group is created. Using British Education as an example, Kogan & Becher noted that collegial approaches originated in the Oxford Cambridge College describing collegial as:

'Collegial; designates a structure or structures in which member have equal to=authority to participate in decision which are binding on each of them. Its usually implies that individual have discretion to perform their main operations in their own way, subject only to minimal collegial controls'. (1980)

On effective leadership, Brinbaum, (1988) provides rules which a collegial leader must follow:

- Live up to the norms of group
- Conform to group expectations of leadership
- Use established channels of communication
- Do not give an order that will not be obeyed
- Listen
- Reduced status differences
- Encourage staff control

There is no doubt that collegial model embraces closer human relations than other models, as a researcher, I am not convinced that the model alone can guarantee the achievement of desirable goals by instructions.

2.3. Bureaucratic Model

Brinbaum assert that one of the major reasons for bureaucratic structure is to enable organizational programme to be achieved in terms of specified goals more efficiently. It is characterized by the context of an organization chart which provides information and report about how the organization should be run from the top downward. The number of levels between the highest and the lowest offices can be used to distinguish whether an organization possesses 'tall or flat' level. Few levels are considered flat while tall while tall is associated with more levels (1988). Brinbaum also noted that bureaucratic structure emphasized on job descriptions, rules and regulations to guide employee behaviors in order to increase certainty and efficiency.

In a related study, Cyert and March (1963) stress the importance of rules, maintaining that rules encourage coordination of activities and provide various offices with an acceptable level of predictability, provide information to the personnel about solutions to past problems indicating there is no problem without solution.

In support of functions and what rules play in the life of an organization, Perrow (1979) comments, 'they protect, as well as restrict; coordinate as well as block; channel effort as well as limit it; permit universalism as well provide

sanctuary for the inept; maintain stability as well retard change ; permit diversity as well as restrict it. Rules constitute the organizational memory and the means for change' under the model every staff knows his/her jobs, right and responsibilities subject to hierarchical control. The effectiveness and efficiency require objectives, long-range planning and compilers with organization policies. Notable effective leadership factors under bureaucratic model include, legitimate coordination, decision – making, authority, competence, delegation and ability to collect and interpret information Brinbaum (1988).

In contrast, Williams (1992) describes the hierarchical organizational chart as a complex diagram with an intricate network of interlocking committees, responsibilities and chains of command with several features of an institution which complicates both managerial and administrative procedures. This is due to activities of wide range undertaken, tradition self-government to bring institutional unifying force, which can easily delay or block difficult but important decision, and professional loyalties which regard themselves as important member of an institution. Hence divided loyalties and conflict of interest which make the task of esprit-de-corps for harmonious work towards a common objectives and purpose more difficult. (1992).

In addition, there is a strong administration rule as regards, recruitment, promotion, salary structure, and study programmes. The model is conservative, uniform and not motivational lacks initiative and there is dominance of rules over result Sanyal and Martin, (1997).

In every model, there will always be pros and cons and it may be very difficult to be judgmental as no model can be entirely wrong even though may not possess every ingredient needed by an institution. This is indeed perception as regards bureaucratic model.

2.4. Political Model

In an organization, there exist different individual with different interest who tend to interact by forming coalitions, bargaining, perusing, advantageous missions. Such interactions devoid of neither norms nor rules but rather negotiated constitute political system.

According to Brinbaum (1988), such member groups and more specialized and heterogeneous, with divergent interest and preferences in a more complex institution. They are work groups found in the academic department of administrative office and also redeem social factors such as sex, age, ethnicity or ideology. No organization can ignore them as they can 'make or mark' the structure of any strong administration. In a more rhetoric manner, Brinbaum comments 'if the collegiums' can be metaphorically described as a family and the bureaucracy as a machine, then the political institution can be seen as a shifting kaleidoscope of interest group and coalitions. The patterns in the kaleidoscope are not static, and group membership participation and interest constantly change with emerging issues'. Also, the model is characterized with uncertainty, dissention, and conflict with autonomy as mode of operation (1988)

Leadership under the political model gives high priority to good measure on presence and timing because a political leader must know that in politics, timing is everything, reflecting on the link between one issue and another, his own power at a particular moment and decide whether an action should be taken or not. Furthermore, the leader must understand that most reliable administrative tools are persuasion and diplomacy, regards conflict as part of the system, recognize in good faith the views of others, must encourage flexible rigidity, compromise on means and not management processes a degree of rationality and must use these balance institution judgment putting value of others into consideration (Brinbaum, 1988).

2.5. Organized Anarchy Model

Confusion reigns supreme in an organized anarchy model. As summarized by Bridge, et al, (1978) it is characterized by lack of coordination due to weak leaders and decisions are reached through the un-coordinated action of individuals. The situation is fluid as no one predict the direction of the organization. There is no concept of leadership in place because leaders negotiate rather than ruling and commanding the affair of the institution. Decision are reached based on by products activity that is unintended and unplanned. Organized anarchy model does not command heroic leaders as they serve as catalysts with subtle ways of activities. There is non-comprehensive plan in place and decision situation is a 'garbage' can into which problems, decision-makers and preconceived solutions are poured and jostled until solutions emerge to temporarily satisfy the need of the organization.

The decision process under the model is results to intended consequence by one controlled by one decisively. It is characterized by autonomous behaviors and decision where teachers, and students and funds providers decide if, when and whaton teach, learn and support. The model is a killer to both coordination and control (Cohen & March, 1974). A similar model is what Kogan and Becher (1980) called oligarchic model which is autocratic in nature and to Brinbaum, the model is characterized by problematic goals, unclear technology, and fluids participation (1988).

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The organized anarchy model like its political counterpart will always exist in the governance of organizations, if not we need to ask ourselves, where lies the history of tyrants of yester-years who have contributed to the collapse of institutions and even countries and yet we are still witnessing those are at the helm of affairs creating chaos and anarchy in the name of governance.

2.6. Entrepreneurial Model

According to Clark (1998), the term entrepreneurial can be distinguished among institution who have taken the traditional mode as a way of life and those who are willing to change the future of their institutions for better. Clark

describes entrepreneurial as a social system that affects the entire institution including their constituent parts found in faculties, departments, research centres and schools. The system requires special activity and energy. It is a risk-taking venture that will yield substantial major outcome. It is a way of business innovation and a determination to a promising and fulfilling future. It is an encouragement to institutions whose ambition is to raise their heads above troubled waters and become in their own terms 'stand-up' institutions of significant actors. Entrepreneurial among institutions reflects a process and outcome

- A strengthened steering core that reduces institution marginality and dependence upon understanding reputation and political clout for guaranteed resources and competitive status
- An expanded developmental periphery to link up with outside organizations and groups
- The diversified fund base to boost greater financial resource and discretionary funds
- Stimulated academic heartland in which transformation either fails or succeeds, and
- Integrated entrepreneurial culture which becomes very important in cultivating identity and distinct reputation for the institution as ideas and practices interact (1998)

The idea was sharpened with strategic decision not to generate new income by 'fundraising' 'we will not go begging for money' but to actually earn it. Endowments, alumni, tuition fees, all were road not taken, but rather put up an idea which became 'an earned income policy'. This idea was given organizational footing as it developed hand in hand with the creation and growth of a number of units at Warwick that were to compose an enlarged development periphery. Foremost in its unusual nature as well as its contribution to earned income has been the 'Warwick Manufacturing Group' (WMG) set up in 1980

Figure 1: A Case Example: Warwick University
Source: Clark (1998)

Despite the successes recorded by Warwick University, entrepreneurial has been subjected to criticisms. As noted by Shattock (2009) the critics are of the opinion that institutions should not increase dependence on non-state resources through link with industry and commerce as doing so would not allow them to perform their traditional role as societal critics. This in itself may not be a reality as most rich institutions in higher education are known to have incorporated enterprises as subsidiaries. An atypical example is university of Southampton. But in a swift reaction, Shattock asserts that entrepreneurialism should not be seen as simply generating resources even though an important element but as a whole economic terms funded in innovating ways to respond to anticipated or specific market needs based on an individual's energy and imagination that will change the profile of an institution as distinct compared to other institutions. It is a way by which such an institution adapts to the changing environment and its capacity to emerge as being innovative through research and new ideas (2009).

In supporting this assertion, Williams (2009) considered entrepreneurial as fundamentally innovative and risky ideas that has future benefit. I quite agree to Williams's submission but such benefit can only materialize if well planned and able required expert are put in the right perspectives to run the business. While the benefits, innovation and risk need not be financial it must have economic dimension while the most important factor for entrepreneurial activity is finance. Determining whether an institution should undertake risky innovations or otherwise, Williams, (2009) in his logical reasoning argues that if the assured income of an organization is adequate to meet its needs and aspirations, such organization need to undertake risky innovations as the motivation for such course of action is very little. But, if an institution is unable to retain generated external income, supplementing core allocations from government by selling academic service, this provides little incentive economically.

In contrast, if the assured income is inadequate to meet organizational goals, and external income can be retained by the institution, then it is worthy to pursue new revenue sources by generating new ideas and taking risk that will result in productive activity through knowledge transfer by the institution as greater incentives can be achieved. Williams (2009) also maintain that government too can stimulate entrepreneurial behaviors among institutions through resources allocation mechanisms used. If subsidies are based on formulae for staffing establishments and physical facilities, the institution must spend the cash as required by legal regulations because there is little incentives for the institution to embark on any innovation but if government allocations are for payment for rendered services either for research achievement and aspirations for recruitment and graduating students, institutions are encourage to embark on entrepreneurial activity based on oriented achievement.

Moreover, he advises that similar incentives exist within institutions where faculties and department are compensated for adding to the institutional resource but condemned the traditional way of resources allocation emanating and administered from the institutional top hierarchy which confine department and faculty task to teaching and research in accordance to institutional rules, follow certain laid down rules when equipment purchases and assistant staff are needed to be employed, and the central management receive every supplementary income from research or teaching are features which do not encourage entrepreneurial behaviors within institutions.

In comparison with the case studies findings on entrepreneurial behaviors among institutions which faculties and departments are seen as more or less independent franchised business, Williams comments 'an institution and conventions to ensure the distinctiveness and quality of its own rules and conventions to ensure the distinctiveness and quality of its own brand. But beyond this, Deans and Heads of Department often have very considerable autonomy in

managing their own budget, allocate according to the amount of teaching and research they undertake and have the authority to generate additional income in ways that are consistent with the institution's usually broad define mission. In these circumstance, department and faculty leaders, and individual members of staff have many opportunities for innovative entrepreneurial initiatives' (2009)

Williams (2009) concludes by enumerating key financial indicators necessary for institutions entrepreneurial activity as follows:

- Sources of income
- Mechanisms through which institutions receive their income, and
- Procedures for resources allocations within institutions

In addition, emphasis must be laid on accountability process while every staff must be trained to understand the financial procedures of the institution rather than leaving the job only to the accounting department as this may add to the effectiveness of entrepreneurial activities of the institution is part of an academic's career assessment and enumerates the following point to support his assertion:

- Civil servant statutes within institution
- Personal rigidities, seniority system, tenure and unions
- Lack of financial autonomy, limitation and steering state imposition
- Entrepreneurial behaviors not included as core goals
- Institution building and reform incentives are very few.
- Awkward governance precludes entrepreneurial need permission
- No motivator when work is comfortable and no change is needed
- Poorly organizational synergies, catalysts, and coalition building
- Conservation
- Traditional non-competitive mentality
- Unwillingness by institution community to share prerogatives with business people or other outsiders
- Selfishness precludes effective coalitions and
- Institutions community have skills deficient in entrepreneurial economic and management.

3. Conclusion

In higher education institution, there is no pure form of any of the models because they are nonlinear, dynamic social system, as life in any campus will be predictable at some times but unpredictable at other (Birnbbaum, 1988). In agreement, Olsen 1988) made it clear that the task before all leaders of organizations including higher educations is to match models to organizations, which are to clarify where the different models are applicable (1988). In the words of Chevaillier 2002) which we strong share, 'the choice of any model is matter of internal fit'.

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