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Four Basic Dilemmas in University Governance Reform

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Since the mid 1980s, modernising university governance has been a constant item on the political agenda of most countries, often followed by reforms attempting to change how universities are managed and led. However, when considering the effects of the many initiatives taken, a rather complex picture appears with respect to the scope and depths of the changes occurring. This article identifies four basic dilemmas, and shows how they are manifested in a number of countries where such reforms have been implemented. In the conclusion, it is argued how the four dilemmas can shed more light on the complexities associated with university governance reform.

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Quatre dilemmes fondamentaux dans la réforme de la gouvernance universitaire

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Depuis le milieu des années 1980 et dans la plupart des pays, la question de la modernisation de la gouvernance universitaire n'a jamais quitté l'agenda politique et a souvent été suivie de réformes visant à changer la méthode de gestion et de direction des universités. Toutefois, l'analyse des nombreuses initiatives menées depuis laisse apparaître une image assez complexe de la portée et de la profondeur des changements qu'elles ont occasionnés. Cet article identifie quatre dilemmes fondamentaux, et illustre dans quelle mesure ceux-ci émergent dans un certain nombre de pays où de telles réformes ont été mises en place. En conclusion, l'article indique que les quatre dilemmes peuvent offrir un éclairage sur les complexités liées à la réforme de la gouvernance universitaire.

Introduction

While over the last 25 to 30 years many far-reaching changes have been introduced in the governance of higher education systems and institutions (Amaral, Jones and Karseth, 2002; Kezar and Eckel, 2004; Shattock, 2006), this has not led to a common overall understanding or agreement on the most effective mode of university governance (Eurydice, 2000). It seems as if governance change has become a permanent feature of higher education worldwide. This includes at the system level a growing belief in the benefits of the marketplace in higher education governance, leading to a growing reliance on competition in the distribution of public funds for teaching and research. At the institutional level the role and position of formally appointed or elected leaders, managers and administrators have been strengthened and professionalised at the cost of the general involvement of the academic staff in institutional governance matters (Taylor, 2006; Santiago *et al.*, 2008).

This call for governance reforms, however, is a relatively new phenomenon. Until the 1980s, institutional leadership, management and administration were seen by many inside and outside the institution as a "necessary evil" (see, for example, Clark, 1983), since then it has become in many respects a self-justified activity (Maassen, 2003, pp. 45-47). National and in the European case supranational white papers and other policy documents have contributed in many respects to this development by clearly setting the mark: universities are expected to be more responsive, more effective and more efficient. It is argued that a more direct and dynamic interaction between universities and their environments is necessary, and an important condition for this to be realised is the professionalisation of institutional management and governance structures (Clark, 1998; Olsen and Maassen, 2007).

However, empirical studies on the effects of the changes in university governance reveal rather ambiguous results of reform initiatives. In many countries, it is difficult to conclude that universities are more effective and efficient. New decision-making structures do not always lead to the desired behavioural changes, and the outcomes of the new governance arrangements seem to have a number of unintended consequences (Reed, 2002; Maassen and Stensaker, 2003; Kezar and Eckel, 2004; Carmeli and Schaubroeck, 2006; Whitchurch, 2006; Meister-Scheytt, 2007; Santiago *et al.*, 2008; Ferlie, Musselin and Andresani, 2008).

Before moving into the landscape of changing governance structures, it is important to present a definition of governance. In this article, we will follow

Maassen (2003, p. 32), who states that "governance is about the frameworks in which universities and colleges manage themselves and about the processes and structures used to achieve the intended outcomes – in other words about *how* higher education institutions operate". This means that governance is a "relational concept that can be considered to incorporate leadership, management, and administration" (Reed *et al.*, 2002, p. xxvii). Although it is common to identify different governance levels, *e.g.* the national, local, institutional, sub-unit or discipline levels (Reed *et al.*, 2002; Santiago *et al.*, 2008, p. 68), our focus in this article is on the institutional level.

Reform failures in higher education are usually explained by the mismatch between reform design and cultural and historical characteristics of higher education institutions, where different institutional logics collide and create turmoil, inertia and contestation (Maassen and Olsen, 2007). Less attention has been given to the option that reform packages may be poorly designed as such, and that various reform intentions also could be contradicting. In this article, four dilemmas usually associated with recent reform initiatives are identified as being relevant for understanding the mixed results of the implemented reforms. By providing some examples of institutional governance developments in a number of countries, the article describes how the four dilemmas appear in different contexts, and whether implemented measures are effective in dealing with the issues raised by the dilemmas. In the conclusion, it is argued how the four dilemmas can shed more light on the complexities associated with university governance reform.

Reform complexity and the creation of new dilemmas in university governance

Reform in higher education in Europe is multifaceted and often related to a particular national policy agenda. Nonetheless, the emphasis on quality, efficiency and effectiveness of higher education institutions are common keywords describing how problems are perceived (Lane, 1997). Problem solutions are usually also presented as a rather standardised "menu" regardless of whether the labels used to characterise the reform ideas are new public management, managerialism or other reform narratives (Stensaker, Enders and Boer, 2007). In the last decades, the general menu has included six rather standard elements (Lane, 1997, p. 9; Ferlie, Musselin and Andresani, 2008, pp. 335-339):

- increased emphasis on performance and output, and introduction of systematic evaluation activities for checking whether stated objectives are met;
- greater formalisation of roles and responsibilities especially concerning leadership, often combined with stronger task specialisation;
- more power to the consumers and users of public goods;

- decentralisation of tasks from the central level combined with increased institutional autonomy;
- increased competition between public and private organisations;
- privatisation of public service by transforming public enterprises into stock companies.

While these elements are promoted at all governance levels, they are often not elaborated in detail, partly due to the increased autonomy of universities and the starting-point that universities should be stimulated to translate and implement general reform ideas themselves within their own specific context. If we look into the higher education sector, we also see that not all of these solutions have been implemented in practice. In Western European higher education, privatisation of public services in higher education is still not common and, although competition is strengthened between providers of higher education, private actors have mainly been allowed only in former East European countries (Stensaker, Enders and Boer, 2007).

In general, the first four reform elements identified by Lane are more familiar throughout European higher education, and are the main concerns of this article. Although the four elements usually are seen as part of an integrated reform "package", the elements create problems in the design of university governance; this is not only because they (not surprisingly) challenge existing ways of organising and governing universities, but also because the elements sometimes are mutually competing and even contradictory, making it possible to identify four stylised dilemmas that may be of assistance when analysing the need for, or when designing, university governance reforms.

The dilemma between representative democracy and organisational effectiveness

Performance, output and systematic evaluation activities for checking whether stated objectives are efficiently met are studied to a great degree in higher education research. The rise of the "evaluative state" and the development of national evaluation schemes since the late 1980s have been well documented by Neave (1998) and others. While the consequences of this with respect to increased bureaucracy and reporting schemes are widely acknowledged (see also Amaral, Jones and Kerseth, 2002), the rise of the evaluative state has also triggered new tensions in that the external reform initiatives have been matched by governance structures de-emphasising "representative" democracy for accountability. In practise, elections of academic leaders have been abandoned in favour of appointed leadership, and representatives of students and staff have experienced reduced influence in institutional decision-making processes.

In many ways, the emphasis on performance, output and effectiveness can be seen as a reaction to previous reform attempts in higher education, most noticeably the demands for democratisation of institutional governance structures at the end of the 1960s/early 1970s (see also Boer and Stensaker, 2007). At that time authorities in a number of European countries responded to the demands from students and non-professorial staff for more democracy in intra-institutional decision-making structures by introducing governance structures that addressed these demands. In the current reform logic emphasising effectiveness, elections and representation of staff and students is regarded as hampering institutional performance although the relationship between democracy and organisational effectiveness is not well researched (Boer and Stensaker, 2007, p. 116; see also Boffo, Dubois and Moscati, 2008).

The dilemma between integrated management structures and dual management structures

The move from elected towards appointed academic leaders and the adaptation of representative decision-making structures form an important back-drop to understand another dilemma in current university governance design – the dilemma between integrated management structures and dual management structures. Greater formalisation of roles and responsibilities especially concerning leadership, often combined with stronger task specialisation, is the main reform element causing this dilemma.

The juxtaposition of integrated *versus* dual management structures refers to the way in which administrative and academic decision-making functions are organised. In the current reform logic it is often argued that "competing" decision-making structures should be avoided, meaning that one should abandon dual structures in favour of integrated ones making the whole decision-making process more transparent, accountable and streamlined. When these functions are integrated, they are the responsibility of an individual actor or one single collective body, implying that one person or body holds the decision-making authority with respect to academic and administrative matters. This structure is also referred to as one-headed leadership or management. Dual structures imply that there is a separation between the actors and bodies responsible for administrative matters and those for academic matters. A dual structure is often characterised by two parallel – but loosely coupled – hierarchies: one academic and one administrative with parallel decision-making structures. If the latter is the case, the administrative and academic decision-making bodies can be either equal or in a hierarchical position to one another, implying that in cases of disagreement or conflict either the administrative or the academic leadership has the final responsibility. In either case, conflicts and tensions may arise both within as well as between different decision-making bodies (Rytmeister and Marshall, 2007; Woodfield and Kennie, 2007). How and whether

such conflicts and tensions are solved will have consequences for the long-term sustainability and *modus operandi* of any given higher education institution (Carmeli and Schaubroeck, 2006).

The dilemma between external and internal influence in institutional decision making

Universities have often been criticised for being too disconnected from changes and needs in their environments (Amaral and Magalhães, 2002; European Commission, 2006), and in many countries reforms have been introduced aimed at transferring decision-making power from the academic staff to professional managers and external stakeholders (Jongbloed, Enders and Salerno, 2008). This brings us to our third dilemma, and the balance between internal and external members in institutional executive and governing bodies, as well as to the internal *versus* external focus of these bodies.

In practice, this dilemma often focuses on the sort of competences external and/or internal members of executive and governing bodies should have. Should external representatives be recruited from business and industry, or should they be academics from a different institutional context? Should students be included in all governance arrangements and, if so, should they be regarded as external or internal representatives? The dilemma concerning external and internal involvement and influence in institutional governance bodies triggers a number of issues related to the size and composition of a decision-making body consisting of both outsiders and insiders (Woodfield and Kennie, 2007); it raises issues about how decisions are actually made within such a body (Baird, 2006), and whether and how the identity of the members of a given decision-making body are influenced by their background (Whitchurch, 2006). These issues can be expected to lead to tensions in higher education institutions regarding the interests that are emphasised and prioritised in the institutional decision-making process.

The dilemma between centralisation and decentralisation in more autonomous universities

One of the most obvious and important consequences of the changes in the institutional governance structures concerns the changes in the distribution of authority, in the form of the decentralisation of tasks from the government to the higher education institutions (Amaral, Jones and Karseth, 2002; Whitchurch, 2006; Taylor, 2006). The central reform intention has been that power and authority should be given to those who know the higher education challenges and problems best and as such know best how to solve them. The consequence of this increased institutional autonomy is in general a centralisation of power inside the institutions (Meister-Scheytt, 2007). This leads to our final dilemma since the understanding of what centralisation in a

university or college means may vary (Shattock, 2006). The autonomy of various schools and faculties inside a higher education institution is in this respect important, where one could imagine the combination of institutional centralisation along with substantial faculty independence. However, it is obvious that such power distribution also may cause new tensions.

Relevant questions with respect to this dilemma are: How much and what kind of power and authority should the different organisational levels have? How does the internal quality assurance work, and what are its consequences? Who defines and decides upon the institution's strategic plan? Some of the well-known characteristics found by Clark (1998) in his study of entrepreneurial universities address this issue directly: For example, how should "a strengthened steering core" be combined with an "expanded outreach periphery" which also needs a considerable level of autonomy and thus decision-making power to function properly? Recently, Taylor (2006) has argued that one of the main challenges universities currently face is to balance the need for central strategic decision making with more devolved responsibilities throughout the organisation.

On the inter-relatedness of the dilemmas

As indicated above, the dilemmas are not mutually exclusive and distinct from each other. Hence, while "democracy" is often perceived as a system of internal representation, it could be argued that external representation in university governance is also a question of democracy, at least from a system perspective. External members in governing bodies in higher education institutions could be seen as representatives for civil society. However, this kind of democracy could imply a limitation of the principle of workplace democracy (Larsen, 2007a).

Increased decentralisation may also trigger more integration in the new devolved decision-making bodies since responsiveness often requires more coherent and quick decisions. Increased institutional decentralisation may also blur the organisational boundaries allowing more space for "external" dimensions in the developed governance arrangements, as when an expanded periphery manifests itself through joint ventures, etc. Needless to say, this may create new problems when attempting to design coherent governance arrangements.

Handling the dilemmas effectively – empirical illustrations, paradoxes and unresolved issues

In practically all European countries as well as in many countries outside Europe, the issue of how to adapt the institutional governance structure is high on the policy agenda (Maassen, 2008). While the actual adaptations and the pace of introducing them differ from country to country, there are also a number of common elements. In this section, the four dilemmas introduced

above will be discussed on the basis of empirical evidence on how a specific set of countries has dealt with the choices to be made, and to what extent they have managed to develop coherent solutions concerning the challenges posed by the dilemmas of the recent changes in the institutional governance structures. We will focus on the developments in Austria, the Netherlands, the Nordic countries and the United Kingdom. These countries were selected because they represent a specific tradition in the modernisation of institutional governance structures: the United Kingdom has moved farthest in Europe in the professionalisation of university leadership and management; the Netherlands replaced one of the most democratic university governance structures with a rather extreme executive university governance model; Austria changed the ownership structure of universities, turning them into public corporations; and the Nordic countries aim at creating, through ongoing reforms, an effective balance between representative democracy and professional leadership in university governance structures.

Finding a solution to the dilemma between representative democracy and organisational effectiveness

If one perceives the reforms of the 1960s and 1970s with respect to the democratisation of university governance structures as a temporary phenomenon, one could argue that the governance structures introduced over the last decade can be regarded to some extent as a return to the situation from before the 1960s/1970s (see for example Boer and Goedegebuure, 2007; Boer and Stensaker, 2007). This does not imply that the democratic dimension in current day university governance has been reduced to zero, or that the new structures are an exact copy of the orthodox, pre-1960s governance models. Instead what can be observed is that the recent governance reforms included specific features from the pre-democratic university governance structures. Among the most important of these is the goal of creating more effective and efficient structures, to be realised especially by limiting the number of actors directly involved in institutional decision making. However, as Meister-Scheytt (2007, p. 261) underlines reducing the number of member in boards can be a problem. The smaller the number of board members, the more important it is that those selected have characteristics balancing "democracy" and effectiveness.

However, one could also interpret the latest reform initiatives concerning efficiency/effectiveness as a logical step in an evolutionary process of institutional management. In Europe this perspective is especially relevant in the British higher education context. As stated by Reed (2002, pp. 180-181):

> … the virulent hybridising dynamic of the 1980s and 1990s can be seen to have its political and organisational roots in a cultural critique of university elitism and hierarchy that became increasingly influential in the 1960s. In this respect, the new managerialism of the 1990s may be

seen as an ideological and organisational offspring of a much earlier phase of critical scrutiny and evaluation that simply could not anticipate the triumph of a managerialist discourse and practice thirty years later.

In this perspective, a kind of hybridisation has occurred where the democratic and effectiveness dimensions in institutional governance exist side by side, but with great contradictions and tensions between them (Whitchurch, 2006). In the words of Prichard and Willmott (1997, p. 289), universities are always "a mix of organising practices, which are historically resilient to being wholeheartedly overthrown by the new managers". Interestingly, in this situation the new manager-academics can be regarded as mediators between different interests. As shown by Aasen and Stensaker (2007) in a study of how a group of middle managers from universities in Denmark, Germany, the Netherlands, Sweden and the United Kingdom prioritise different tasks and objectives in their jobs, the new and often appointed manager-academic seems to develop a dual identity in between the classic academic governance ideal and the modern managerial ideal.

The dilemma between democracy and effectiveness can also be observed in Norwegian higher education. In 1994, the Ministry of Education amalgamated 98 former regional colleges into 26 larger and more comprehensive state colleges with the intention of increasing administrative effectiveness, economic efficiency and academic quality (Gornitzka *et al.*, 1998; Kyvik, 1999). The Board's responsibility was activated in the 1996 Act, and the former relatively big representative body in universities and colleges was replaced by a smaller executive organ. More recently, there has also been a reduction in the number of academic boards, especially at the department level. The paradox now emerging in Norway is that, despite scepticism of the appointed and more executive management structures, academic staff in practice seem to acknowledge and respect the work and role of the new leadership (Michelsen and Aamodt, 2007).

Solutions to the dilemma between integrated management structures and dual management structures?

The case of the Netherlands illustrates the specific nature of this dilemma (Boer and Goedegebuure, 2007). In 1997, the Dutch parliament accepted a new law on university governance which marked the end of the dual institutional governance structure. Through this law the nature of the university and faculty level councils changed from control to advisory bodies. At the same time, the position of executive bodies such as the central executive "team" which includes the rector (in Dutch: *College van Bestuur*) and actors such as the faculty deans was strengthened throughout the university. Due to this reform, departmental boards lost their formal status as governance bodies, and their previous powers were incorporated in the deanship. In practice this change meant that the three-level governance

structure of Dutch universities was replaced by a two-level structure. In this two-level governance structure, the central control and approval (*e.g.* of the university budget) function, previously in the hands of the university level council, was taken over by a new body, *i.e.* a board of trustees – a governance arrangement well known in the United States (Kezar and Eckel, 2004). In addition, the power of the central executive "team" was enlarged. At the faculty level, the dean became responsible for all administrative and academic matters, while the faculty council became an advisory body. It was up to the dean to decide upon the nature of his/her support structure, including the position of the head of administration. While before 1997 each faculty had its own director who reported directly to the central institutional administration, from 1997 on the dean had to decide how to organise the administrative support staff of the faculty. If the dean appointed a head of the administrative support staff, this person was not automatically a member of the faculty board. In addition, this person had no direct links to the central administration but reported directly to the dean. Hence, since 1997, the Dutch university governance structure is an integrated one in which the central actors are the institutional executive "team" and the deans. However, Boer and Goedegebuure (2007) argue that former institutionalised governance structures and traditions are still important as informal normative "standards" in the Netherlands, implying that the new structure has not eliminated the tensions in the system.

The development in Norwegian higher education can also illuminate the difficulties in solving this dilemma. In Norway, all public higher education institutions were regulated by a common act in 1996. The 1996-act emphasised stronger academic and administrative leadership of institutions, and a clearer division of responsibility between academic and administrative leaders was introduced (Dimmen and Kyvik, 1998; Larsen, Maasen and Stensaker, 2004). A new act introduced in 2005 made it voluntary for the institutions to decide whether they want to continue the system with separate academic and administrative leaders. A typical governance arrangement in Norwegian higher education institutions today is to abandon the dual structure by giving the overall responsibility to the academic leader, who in turn may delegate tasks and responsibilities to the administrative staff. However, there are indications that integrated governance structures may take attention away from academic affairs due to pressing and the agenda-setting nature of administrative issues (Larsen, 2007a), implying that attempts to strengthen the academic leadership may have the opposite effect.

Solutions to the dilemma between external and internal influence in institutional decision making?

The combination of external stakeholders entering various decision-making structures in higher education institutions and of the internal culture, norms and

traditions of the particular institution, in question has resulted in tensions in university governance systems in many countries. Concerning the composition of governing bodies in higher education institutions, important changes have taken place in many countries. A growing number of external stakeholders are directly involved in intra-institutional decision making (Jongbloed, Enders and Salerno, 2008, p. 306). These are either members of governing bodies, or they participate in internal decision making with respect to creating new chairs or to the developing new and adapting existing curricula. In some countries, *e.g.* the Netherlands, new governing bodies have been created that only comprise external members. These external members generally represent industry or national politics, or other higher education institutions.

In other countries, there has been an increase in the role of external stakeholders at the expense of the internal stakeholders. In Sweden, for example, with the return of the social democratic government in 1994, the political balance of power gradually began to change in favour of more "outsider" representation. Rectors were replaced by people from industry or politics as chairmen of the institutional governing boards. This "unholy" alliance between state and industry was strengthened at the expense of the academic elite. Swedish higher education institutions were also given, explicitly, a new "third role": to serve the local community and contribute to overall social development, *i.e.* they were expected to develop a more explicit external orientation (Kim, 2001).

In Finland, there are important differences in the ownership structures of universities and polytechnics: the universities are owned by the state, while the polytechnics are owned either by municipalities/regions or by private foundations. Consequently the two types of institutions also have different internal governance structures. In general it can be argued that the governance structures of the Finnish universities are still driven by academic values, while the governance structures of the polytechnics are driven more by political and entrepreneurial values. This means that in Finland the dilemma for universities is solved by emphasising internal actors and their values in traditional universities, while polytechnics are more open to external actors and the surroundings.

In Norwegian higher education, all institutions have been obliged to include external members in their central Boards since the mid 1990s. Currently, each institutional board consists of 11 members and, given the prescribed composition of the Board – the rector, two students, three academic staff members, one non-academic staff member and four external members – no group holds the majority. In most institutions, the (elected) rector is also the chairman of the Board. However, an option available to the Board is to appoint the rector, but in this case the rector can no longer be the chairman of the Board (this position is taken over by one of the external members). In this way, each institution can find a more flexible solution to the dilemma between external and internal influence (Larsen, 2007b).

Only a few countries are described above; the overall impression in higher education systems in Europe is that the levels of participation from the internal constituents have decreased, while external players have become more visible (see for example Stensaker, Enders and Boer, 2007; Santiago *et al.*, 2008; Ferlie, Musselin and Andresani, 2008). However, we know less about how the external representatives actually function in different higher education systems and whether governing bodies with external representation focus to a larger extent on external matters than governing bodies with entirely internal members. Ongoing research in Australia and the United Kingdom may shed more light on this issue in forthcoming years (see Rytmeister and Marshall, 2007; Woodfield and Kennie, 2007).

Solutions to the dilemma between centralisation and decentralisation in more autonomous universities?

In many countries, there has been a shift in governmental steering of the higher education sector aiming at enlarging institutional autonomy, and allowing universities to choose their own governance structures. One of the earliest examples of this development took place in Sweden in the 1980s; later, in 1993, the government provided a framework which also allowed the higher education institutions the right to determine their own governance structures. The 1993 reform was aimed at facilitating change and creating flexibility through decentralising responsibility to higher education institutions, counterbalanced by efficiency and quality controls over outcomes. The 1993 reform reduced the detailed influence of central government but called for more planning, accountability and control at the institutional level, and therefore stronger and more pronounced institutional governance. However, the internal devolution of authority, awaited by many academics, did not occur (Askling, 2000).

Like in Sweden, the 1980s in Finland were also characterised by a shift in the ideas and principles underlying the governmental steering of the universities (Hölttä and Rekilä, 2003, p. 58). The shift resulted in a steering model based on agreements concerning targets and results instead of input. This was to become possible by enlarging the autonomy of the universities. A government act increased university autonomy by delegating many matters previously regulated by separate acts and decrees to the central university decision-making bodies (Finnish Ministry of Education, 2004, p. 4).

Some countries are modifying institutional governance structures to stimulate intra-institutional centralisation and to integrate executive and academic authority throughout the organisation. Deans in particular are now considered very much a part of central management structure in several countries, and are increasingly appointed rather than elected. For example, in the Netherlands the Faculty Deanship now operates in a similar way to academic bodies in other countries, through collegial decision making over

academic issues (Santiago *et al.*, 2008, p. 127). However, this development of simultaneously strengthening the position of the institutional leader and the deans/heads of departments is not taking place in Finland; studies by Hölttä and Rekilä (2003, p. 68) show that "the management-by-results culture has not reached so effectively the other levels of the institutional organisations, and the deans and heads of departments are not fully internalised in the new management model". This might result in a divide between the managerial and the academic agenda.

In addition, the tendency to centralise decisions inside the institutions may again trigger the need for "strategic decentralisation" by creating units more capable of rapidly adapting to an increasingly competitive environment. Hence, the modern version of the centralisation-decentralisation dilemma can be illustrated by the recent work of Burton Clark (2004, p. 83) where he pointed to the danger that very creative and entrepreneurial subunits within the university easily can be de-coupled from the rest of the organisation due to their external interest and focus. Thus, for the institutional leadership, such units may create problems related to co-ordination and broader strategic development.

The need for a better understanding of university governance reforms

As illustrated by the brief empirical review above, governance reforms are difficult to capture and conceptualise by solely using terms and labels such as "marketisation", "entrepreneurialism" and "managerialism". This is perhaps why Ferli, Musselin and Andresani (2008) have recently suggested that research on governance issues in higher education needs to develop more comprehensive and analytical schemes and narratives to be able to make better sense of ongoing changes. While we would endorse such a development, our main concern is that we still need good empirical tools that can assist us in this endeavour. The main problem when analysing university governance reforms is to move beyond the one-dimensionality usually offered by rather standardised reform packages and more "quick-fix" management ideas, and to emphasise the practical realities facing those that are to design and implement new governance structures (see also Shattock, 2006).

Based on the empirical evidence discussed in this article, the most pressing issue in this respect is to handle the growing gap between management intentions and academic realities, and to deal with the lack of trust between managers and academics in many higher education systems. This lack of trust has mainly been caused by moving from vertical to horizontal, or complementary, forms of governance. As illustrated in this article, this implies in practice a departure from steering on the basis of regulations and laws and a growing reliance on steering on the basis of

contracts, targets, benchmarks and indicators. The result has been a governance arrangement with tighter (micro-) political control of academics. Hence, the important task for institutional managers is to balance the need to steer intra-institutional teaching and research activities accordingly, and to establish schemes that will have legitimacy and trust also among the academics. This is not an easy task. On the contrary, transforming universities into "organisational actors" will most likely increase the level of conflict within institutions for resources and funding, not least between departments and faculties. Consequently, finding ways and means to solve such conflicts will be a crucial issue, and the legitimacy of the decision-making structures within the institution is perhaps the key element in creating and maintaining trust and acceptance for decisions taken.

However, we are very far from understanding the relationship between particular governance arrangements and their legitimacy and influence within institutions. As shown in this article and in a recent review by Santiago *et al.* (2008, p. 126), current institutional governance arrangements are diverse and multifaceted. As a consequence, they are difficult to grasp and to compare, although they do provide an interesting laboratory for further investigations. We would argue that the four dilemmas identified in this article may be of value in this process, not only to reformers, but also to researchers striving to improve their analysis of what university governance reforms actually mean, and the possible effects of governance reforms.

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