Evaluating change in the Australian Higher Education System: A critical theory perspective

Dr. Suzanne Ryan *
Newcastle School of Business, University of Newcastle, Australia
Email: Suzanne.Ryan@newcastle.edu.au

Professor James Guthrie
Discipline of Accounting, Faculty of Economics and Business, University of Sydney, Australia
Email: j.guthrie@econ.usyd.edu.au
Evaluating change in the Australian Higher Education System: A critical theory perspective

ABSTRACT  The paper questions whether the Australian Higher Education System has been colonised away from the traditional ‘idea of a university’ as a social institution to a new identity as an economic institution. Adapting concepts based on Habermas’ critical theory to the level of an organisation, a framework for analysing organisational change is applied to higher education to examine the question of colonisation. While judgments of colonisation have been made on the bases of the magnitude of external pressures and the types of changes within the system, the type of change is less certain when internal power dependencies and the perspective of academics is taken into account.

Keywords: Critical Social Theory; Organisation Change; Managerialism; Critical Management; Higher Education.

Jurgen Habermas was interested in why good Germans could be so colonised in their thinking that they became complicit in an attempt to eradicate Jews. This paper builds on Habermas’ explanation of societal change to ask whether good Australian academics have collaborated in the transformation of the Australian Higher Education System (AHES) from a social to an economic institution. Habermas’ (1984, 1987) critical theory is especially suited to an analysis of higher education because it is a social system affected by environmental disturbances from changes in political and economic steering using the mechanisms of ‘bureaucratisation’ and ‘monetarisation’. Similar notions of ‘reciprocity, trust, shared knowledge and reasoned arguments’ underlie both Habermas’ concept of communicative action (Burrell 1994: 8) and the ‘idea of a university’ in the sense of how knowledge is acquired and transmitted. The purpose of this paper is to put forward a framework for interpreting change in the AHES and use the framework to question the outcomes of change. Such theoretical analyses of higher education are rare despite the need for them to further depth of understanding (Tight 2003). The paper commences with a summary of Habermas’ concepts and his theory of societal change and development followed by an introduction to Laughlin’s (1995, 2004) development of a skeletal theory of organisational change and the means for evaluating change. Laughlin’s framework is then applied to changes in the AHES to question

1 The concept of ‘colonisation’ as employed by Habermas differs from the more common meaning of one country ‘colonising’ another. It refers to a type of change that is imposed and legitimised by procedure rather than justification.
whether the higher education system has been colonised and suggest areas for further research in understanding and evaluating change in higher education.

**HABERMAS: CONCEPTS AND THEORY OF CHANGE.**

Habermas (1984, 1987), in common with other critical theorists, views truth and reality as open to individual interpretation and hence manipulation (Crotty 1998). Unlike postmodernists, Habermas seeks to ‘reconstruct not deconstruct’ realities (Burrell 1994) by combining *systems theory* with *theories of social action* to give insight into the nature of social systems and their change (Kemmis 1998). He conceives society as constituted by three ‘lifeworlds’ – the objective, social and personal – which, over time, have differentiated so that the objective lifeworld becomes separate and tangibly expressed in ‘systems’ such as the economic, health and education systems but nonetheless guided and given meaning by the social lifeworld. Once society and systems become so complex that the social lifeworld can no longer manage the systems, ‘steering media’ are required to guide the systems so they align with the lifeworlds (Laughlin 1987). Systems are based on instrumental reason, as against practical and affective reason that guide the social and personal lifeworlds respectively. If the steering media and the instrumental reasoning of systems are allowed to dominate, the possibilities for communication between system and lifeworld decline and the steering media take on a life of their own employing the mechanisms of ‘bureaucratisation’ and ‘monetarisation’ to steer and thus ‘colonise’ the lifeworld creating a new lifeworld (Burrell 1994; Power & Laughlin 1992). This process of societal development, including the differentiation of lifeworlds and emergence of steering media, is graphically illustrated in Figure 1.

**Habermas’ Language and Concepts**

The important concepts employed by Habermas to explain his theory of societal change are: lifeworld; systems; steering media and mechanisms and colonisation.

*Lifeworld*
The lifeworld is a concept through which culture (objective reality), social order (social reality) and individual identity (personal reality) are secured (Kemmis 1998). These three components interact to achieve mutual understanding, consensus and commitment to the world around us – the lifeworld is the ‘domain of everyday experience’ (Power & Laughlin 1992: 121) where the ‘unmediated certainty of tacit and unquestioned knowledge’ predominates (Power & Laughlin 1996: 450). Under circumstances of extreme complexity, the lifeworld becomes uncoupled whereby objective reality (culture) dominates social and personal realities via systems and steering media.

**Systems**

Systems refer to institutional structures and their functioning (Kemmis 1998,) such as economic and political-legal systems that ‘emerge from the lifeworlds as a result of functional and cognitive differentiation’ (Power & Laughlin 1992: 121). Ideally, the values of the lifeworld are tangibly expressed through the systems which, although concerned with objective reality, are given meaning by social reality. Because systems operate on rational-purposive actions, they may take on their own ‘autonomous logic … which can be positive or negative’ (Power and Laughlin 1992: 121). When this occurs, and systems can no longer be guided by social reality alone, steering media and mechanisms are developed to ‘steer’ systems in keeping with the social reality of the lifeworld (Laughlin 1987).

**Steering media and steering mechanisms**

As society becomes more complex it requires additional help to ‘steer’ systems so they accord with the lifeworld. Thus the systems develop steering media such as government of ‘sufficient power and stability to provide their own specialist discourses capable of regulating exchange and interaction’ (Kemmis 1998: 279). These ‘steering media’, employ ‘steering mechanisms’ such as administrative arrangements (‘bureaucratisation’) and money (‘monetarisation’) to steer the system by regulation. As the link between lifeworld and system, steering media are meant to be directly controlled by the social lifeworld in order to correctly steer the systems. However, when the imperatives of economic and political-legal systems dislodge internal communicative action, the relationship between system and lifeworld becomes distorted,
unbalanced and reversed whereby steering mechanisms in the form of power and money guide lifeworlds and systems, using instrumental rather than social reasoning (Kemmis 1998).

Colonisation

The process by which the lifeworld is dominated by steering media and systems rather than vice versa, is referred to as colonisation of lifeworld (Power & Laughlin 1992). It is the result of constitutive steering whereby the steering media in the form of governments, rather than the social and personal lifeworlds, dictate what people should think and this is reinforced by their steering mechanisms.

Habermas’ Model of Societal Change and Development

Habermas envisaged two forms of societal change, one regulative and positive, and the other constitutive and negative. Regulative change occurs when steering mechanisms require change that is ‘amenable to substantive justification’ because it is ‘freedom guaranteeing’ (Habermas 1987: 365-366), supplementing the lifeworld and systems and allowing both to adapt to changed environments (Power & Laughlin 1992). Regulative steering and change occurs when the change initiated by the steering media has the assent of the lifeworld and the change is initiated at the level of the lifeworld. On the other hand, constitutive change occurs when the steering media take on a life of their own, divorced from the lifeworld, and the change is ‘legitimized only through procedure’ and is ‘freedom reducing’ (Habermas 1987: 367). Constitutive steering and change result in the colonisation of the lifeworld and systems, the steering media expand to constitute the lifeworld rather than mediate on its behalf (Power & Laughlin 1992).

Although Habermas’ theory applies at societal level, his conceptualisation of change is significant at the organisational level, especially in understanding acceptance and resistance to change. Scholars from accounting and public management have employed Habermas’ concepts to explain the power of money and managerialism in colonising organisations. In particular, Laughlin (1987, 1995, 2007) and colleagues have adapted Habermas’ concepts of societal change to the level of an organisation.
FRAMEWORK FOR ORGANISATIONAL CHANGE

Laughlin (1991, 1995) explores the various choices available to researchers and promotes what he calls a Middle Range Thinking (MTR) approach which is mid way between the extremes of positivism and interpretism in relation to prior theorization and choice of method as well as above both of these in relation to the possibilities for change. Critical theory generally, and Habermas’ in particular, fit well within MTR in accepting the use of theory as a starting point to identify a focus, language and lens for research, but viewing theory as providing only a ‘skeletal’ understanding of what is being researched. The ‘skeleton’ must be fleshed out through empirical engagement within the context of the research. Thus MRT provides for theory development rather than theory testing.

Framework for the analysis of organisational change

Laughlin (1991) adapts Habermas’ concepts of change in three ways: he allows that steering media and systems are themselves an amalgam of lifeworlds, steering media and systems; he clarifies Habermas’ concepts as they might apply to organisations; and he provides a framework of organisational change building on Habermas’ notions of change process and type, ‘regulative’ and ‘constitutive’. In developing the framework, Laughlin (1991) borrows from organisational change theorists such as Greenwood and Hinings (1988) to develop alternatives for understanding reactions to environmental ‘disturbances’ by steering media and the mechanisms used to protect or facilitate change in lifeworld and system.

First, in relation to an organisation, Laughlin (1991) envisages that both steering media and systems, because they are themselves organisations or collections of organisations, have their own micro structures made up of lifeworld, steering media and subsystem, and that this may further apply to parts within the organisation or collection of organisations. For example, administrative institutions, such as government departments, act as steering media at the societal level, but each is an organisation in its own right with its own lifeworld, steering media and sub-system. These relationships are illustrated in Figure 2.
Second, Laughlin (1991) describes lifeworld, steering media and system within an organisation. Sub-systems can be understood to consist of agreed upon tangible elements such as people and buildings while steering media are exemplified in organisational positions, structures and decision making processes designed to steer sub-systems by expressing the values and beliefs contained in the lifeworld. The role of the steering media is critical to evaluating the change process and an important refinement to understanding the role of the steering media is provided by Broadbent and Laughlin (1998) in developing the concept of ‘absorption’ as a means of rebutting or filtering the effects of colonising mechanisms. The role of the steering media is to manage environmental disturbances so as to protect the core activities of the sub-system. This is achieved by ‘absorbing’ disturbances either by ‘filtering through creative elements and ‘soaking up’ destructive ones’ (Broadbent & Laughlin 1998: 409). The nature of individuals in the role of steering media will help determine the degree to which the steering media will facilitate or rebut colonising disturbances. If the steering medium is weak or holds colonising intentions, then it is more probable that it will be a ‘coloniser’ rather than an ‘absorber’. Finally, the lifeworld as the least tangible of the elements, relates to the organisational participants’ fundamental assumptions about the world and their place in it. It is akin to the concept of ‘institutional logic’ (Reay & Hinings 2009).

The third of Laughlin’s contributions concerns understanding organisational change. Extending the work of Greenwood and Hinings (1988), Laughlin (1991) outlines four possible reactions to an environmental disturbance, two of which are considered ‘first order’ changes affecting, if at all, only superficial change, and two of which are ‘second order’ changes producing fundamental change similar to Habermas’ notions of constitutive and regulative change. First order changes, rebuttal or reorientation, may affect steering media and sub-systems, but not the lifeworld, while second order changes, colonisation (constitutive change) and evolution (regulative change), affect changes in all three organisational elements.
Evaluating Change

Employing the work of Greenwood and Hinings (1988), Laughlin (1991) suggests four contingencies to evaluate change: the magnitude of the environmental disturbance; the organisation’s capability; the power dependencies; and. level of commitment to lifeworld. The greater the magnitude of the disturbance, the greater is the chance of change. The more capable the organisation, the more it is able to accept or reject change. The stronger the power of those organisational members committed to a particular response compared to other members wanting an alternative response, the more likely the response will accord with the more powerful group. The stronger the commitment or ideology, the greater is the tendency to rebut change. Additionally, Broadbent et al. (1991) suggest that evaluation is most accurate when based on the perspective of active organisational participants in specific institutions at particular points in time.

A further addition to being able to evaluate change, are the descriptors transactional and relational to categorise steering mechanisms’ interactions with systems and subsystems (Broadbent, Gallop & Laughlin 2008). Steering mechanisms are transactional when they closely prescribe desired outcomes, and sometimes the means to achieving them. It is a market exchange based process. Relational approaches by steering mechanisms are less prescriptive of both means and ends, relying on stakeholders’ involvement and agreement leading to ownership of both means and ends. Relational approaches are necessarily longer term in order to maintain ongoing relationships. The following section applies the framework to the AHES and examines the evidence for and against the colonisation of the system.

COLONISATION OF THE AUSTRALIAN HIGHER EDUCATION SYSTEM?

Driven by external forces of globalisation and neoliberalism (Olssen & Peters 2005), government policy changes began in the 1980s with the massification of higher education systems, followed rapidly by marketisation and corporatisation (Ryan, Guthrie & Neumann 2008). The process of change commencing with the external disturbances to Australian society is simplistically illustrated in Figure 3. At the societal level, the pressures from globalisation and neoliberalism appear to have been accepted by the societal
steering media of Parliament and its executive, which have in turn imposed change on their own social systems, including higher education, through steering mechanisms in the form of budgets and performance measurements. For example, ‘underfunding plus discretionary payments added up to ultimate influence’ over universities (Marginson & Considine 2000: 35) and the imposition of steering mechanisms such as formulae, incentives, targets and plans are ‘more amenable to executive-led re-engineering than the deliberations of a council or academic board’ (Marginson & Considine 2000: 10).

At the level of the university, the actions of government steering media represent an environmental disturbance for the institution, a disturbance that the university steering media, in the form of senior management, seem to have to allowed rather than absorbed or rebutted. As steering media, university managers mediate external relations and fashion strategies, they ‘are their own switching station, between the external pressures and the internal changes they want to achieve (Marginson & Considine 2000: 9). In accepting the influence of government’s steering media, senior managers used their own steering mechanisms such as budgets, structure and governance (bureaucratization and monetarisation) to change its own sub-systems within the university. In effect, universities did to their own faculties, schools and departments what the government had done to them (Marginson & Considine 2000). The actions of university steering media represent an environmental disturbance to the sub-sub systems, the academic units. The primary steering media for the academic unit are the faculty deans and heads of schools/departments. As with all steering media, they are presented with choices as to whether they rebut, absorb or pass on demands from the environmental disturbances. At the level of the academic unit, the steering mechanisms available to deans and heads of schools/departments lie in governance mechanisms, incentives and resource allocations.

For organisational change to have occurred, there needs to have been a change in the lifeworld of the organisation. Because of the intangibility of the lifeworld, it is difficult to provide precise description, however the traditional concepts contained in the ‘idea of a university’ provide a base for articulating the
lifeworlds of a university. Such concepts are encapsulated in the following extract from the Senate Enquiry into Higher Education, (2001: 8).

The traditional Western model of liberal university is of an institution primarily concerned with the creation preservation and transmission of knowledge. The creation and transmission of knowledge is seen as essential for both continued scientific and material progress and the protection and promotion of the civil society that is an essential feature of democratic societies. As custodians of both scientific and cultural capital, universities have also served as the critic and conscience of society, a function that has been protected from political interference and the vagaries of the market through the notions of institutional autonomy and academic freedom.

Evaluation of Change

From a critical theory perspective, there are two alternative explanations for what has occurred in the AHES, either it is regulative or constitutive and colonising. Other than government pronouncement, there is little support for the change having been regulative, the scholarly commentary and research tends toward a judgment of constitutive change and colonisation. Evidence for and against is now presented.

For colonisation

Evidence of colonising change is provided by Parker (2002) in his analysis of change in the AHES. Government steering has created a tension between ‘the need for universities to strategically position themselves for survival in a highly competitive environment and the need for them to preserve space for inquiry and critique’ (Parker 2002: 610). Unable to absorb the changes and manage the tension, Parker argues that senior executives responded to Government steering mechanisms by accepting change and developing their own mechanisms to steer change within the university. Wherever academic managers tried to first rebut change and then to reorient, Parker suggests the magnitude of the disturbance was too great for them to succeed. He concludes that the changes in the university sub-systems have been second order, constitutive changes forced upon academics and resulting in a shift in the lifeworld of the university. Core university values have expanded to incorporate ‘financial viability, vocational relevance, industry relationships, market share, public profile and customer/client responsiveness’ (Parker 2002: 612).
Further evidence of colonisation, especially in the strength of its steering mechanisms, is provided in Marginson and Considine’s (2000) survey of senior academics and administrators in 17 Australian universities. They found Australian universities are no longer governed by a system of collegiality (relational processes), but defined by strong forms of executive control, led by dominant vice-chancellors and backed by executive groups employing transactional processes to affect change in their institutions. Just as devolution of power to universities with attached targets and monitoring mechanisms (transactional steering) increased the power of government over universities, university management devolved responsibility to faculties in a similar manner (Marginson & Considine 2000). These transactional steering mechanisms have included cost cutting; strategic plans; incentive grants; performance targets; monitoring and accountability procedures.

The devolution of responsibility to deans and departmental heads to meet targets and objectives set from above, not only increases executive control but weakens the academic base of universities as academics are regarded as obstacles to reorganisation and resource redeployment (Marginson 2001). Just as ‘executive leaders often become overwhelmed by their workload and disconnected from the academic and administrative community they supposedly lead’ (Parker 2002: 609), further down the line, heads of departments/schools, traditionally are crippled by enlarged and multi-disciplinary schools and pressures to meet centrally set targets (Scott, Coates & Anderson 2008). These factors combine to lessen the ability of academic middle managers to absorb change and leave little room to achieve the academic purpose of their roles (Scott et al. 2008). Dillard (2002) argues that academic colonisation is driven by a market mentality devolving through administrative structures and rules to the academic who begins to teach what the market wants and not what society requires and, in so doing, becomes alienated but compliant as they are slowly colonised.

A simple depiction of the outcomes of colonisation of the AHES since 1985 is contained in Figure 4. Like the arguments that suggest colonisation has taken place, the focus in Figure 4 is on the relationship
between government and system and changes within the system. These arguments rely primarily on the strength of magnitude in the disturbance created by government and the relative lack of power of the universities due their reliance on government funding. They also focus on the introduction of transactional steering mechanisms within universities that strengthened organisational capability to accept change and weakened the capability of organisational participants to resist change. These arguments give little attention to either power dependencies within the university or the role of commitment to lifeworld.

Against colonisation

A consideration of internal power dependencies and strength of commitment does not necessarily support a verdict of colonisation. In terms of power dependencies within the university, those in power (senior executive) are ultimately reliant on those dependent on them (academics) to affect successful change. University executives employ their own steering media, deans and heads of departments or schools, to steer change among academics and it is the relationship between these middle managers and academics that largely determines change outcomes (By, Diefenbach & Klarner 2008). These middle managers are caught between managerialist demands from above and collegial expectations from below (Scott, Coates & Anderson 2008). Being academics themselves, they are aware that command and control and to a lesser extent transactional processes are not conducive to inspiring desired change among academics (Hellawell & Hancock 2001). They are dependent on relational processes built on trust and respect to win over the ‘hearts and minds’ of colleagues (Hellawell & Hancock 2001: 190). Dependence on colleagues means the power of academic middle manager as a steering media for executive led change is a potential weakness in steering constitutive change. Acceptance or rejection of change depends on the extent to which the middle manager absorbs or facilitates external disturbances and the mechanisms they use. This in turn relates to the individual manager’s commitment to the academic lifeworld (By et al. 2008).

Strength of commitment unpins not only the ability to rebut constitutive steering, but also the acceptance of regulative change. If an organisation’s lifeworld has a strong ideological base, it can more readily rebut
constitutive steering (Power & Laughlin 1992). Such institutions are characterised by a fusion of facticity and validity, a fusion which screens out challenges to authority and where validity retains the force of the factual (Power & Laughlin 1996). Although the idea of a university’ has changed over the centuries, the fundamentals have endured (Krucken 2003). Determining a change in lifeworld is not as simple as describing changes in disturbances, steering media and steering mechanisms. One needs to go to the academics, the organisational participants, to discover their understanding of the academic lifeworld. We know from large scale surveys that Australian academics are not happy nor committed to their institutions (Coates, Goedegebuure, Van der Lee & Meek 2008) but have they adopted a new lifeworld? Do they continue to believe that the academy is foremost a social institution or have they replaced its primary logic with that of the marketplace (Bok 2003)? Do academics continue to pursue their research in order to advance knowledge or to simply attain publications in the right journals (Segalla 2008)?

In relation to the question, have we been colonised?, if we accept Broadbent et al.’s (1991) advice that evaluation of change should be made from the perspective of active organisational participants in specific institutions at particular points in time, then it may be impossible to ever provide a general answer to the question. Differences between and within institutions, particularly differences between the individuals who constitute the steering media, might imply different types of change for different institutions and different academic units within institutions. There is also the possibility for opposing institutional logics to co-exist within the same organisation (Reay & Hinings 2009). In the context of the ‘sacred and secular divide’ whereby some organisational values are more important (sacred) than others (secular), then any intrusion by the secular into the sacred is always resisted but secular concerns are less important to resist (Laughlin 2007). If this reasoning is applied to universities, then it may explain why managerialism (the secular) has not been strongly resisted. On the other hand it may be the vehicle through which the lifeworld (the profane) is ultimately infiltrated.
Habermas’ conceptualisation of societal change and its adaptation to organisations by Laughlin (1991) has much to offer in the field of organisational change generally and in higher education especially. Its operationalisation has been primarily at the level of evaluating the magnitude of change and actions of university level steering media and mechanisms. Less attention has been focused on the level of organisational participants and the role of middle managers as steering media. These areas present an opportunity for further research as does investigation into the possibility of co-existing competing logics.
REFERENCES


16


Senate Committee into Higher Education (2001) Universities in Crisis: Report into the capacity of public universities to meet Australia’s higher education needs, Commonwealth of Australia, 27 September.

Figure 1  Habermas’ Conception of Societal Development (Adapted from Laughlin, 1987, p. 488)

Increasing Complexity

Early societies | Developing Society | Modern Society
---|---|---
**Lifeworld**
Objective, social and personal

**Lifeworld**
Social and Personal

**Lifeworld**
Social and Personal

**Steering Media**
Regulatory Institutions eg Parliament, Executive & Administrative

**Steering Mechanisms**
Power and money
Eg. policy, government departments, funding

**Systems**
Health welfare education economy

**Systems**
Health welfare education economy
Figure 2  Relationships between Societal, System and Sub-system Models (adapted from Laughlin, 1991).

Societal

Lifeworld

Steering Media

System (Institution)

System Organisation

Lifeworld

Steering Media

Subsysyems

Subsystem Unit

Lifeworld

Steering Media

Subsytems

(Lorganisation)

Subsytems

(Lorganisation Unit)
Figure 3  Change Process within Australian Higher Education

Disturbance  Societal level  Sub-system/organisation level  Sub-sub-system level

Globalisation Neoliberalism

Lifeworld

Steering Media
Eg. Parliament and Government Departments

Steering Mechanisms
Eg. Policy, Procedure and Funding Arrangements

System
AHES

Disturbance

Lifeworld
Idea of University
Steering Media
Management
Steering Mechanisms
Governance Structure Resource Distribution
Sub-System
University

Disturbance

Lifeworld
Idea of University
Steering Media
Dean, Head of Dept.
Steering Mechanisms
Resource Allocation Governance
Sub-sub system
Academic Unit
Figure 4  Colonisation: University Change Pre and Post 1985

UNIVERSITY
Pre 1985

Lifeworld A
Knowledge

Steering Media
Academic Senate
Administration

Steering mechanisms
Collegial Governance

Sub-System A
University

Environmental disturbance
from changes in government policy and funding

UNIVERSITY
Post 1985

Lifeworld B
Knowledge and Revenue

Steering Media
Council, Senior management
Administration

Steering mechanisms
Authoritarian Governance
Resource allocation
Reward structure
Restructuring
Language
Management information systems
Assurance mechanisms

Sub-System B
University