

Restructuring the Nova Scotia University System:
Reactions from University Senior Administrators

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Abstract

This paper examines the threat by the Nova Scotia government in the 1990s to restructure its postsecondary system to reduce costs and the reactions of 36 university senior managers from nine institutions. It reviews whether universities have an accurate understanding of the options available to the government if universities are unwilling to restructure voluntarily. It analyzes how senior managers view their institution's financial position. It explores those services senior managers believe could be merged and whether low quality programmes could be eliminated in a restructuring process. Findings are summarized but individual responses are reported to highlight the differences of opinion. The results suggest that restructuring the Nova Scotia postsecondary system may continue to elude the government.

Resumé

Cette thèse examine la menace de la part du gouvernement de la Nouvelle-Écosse, dans les années 1990, de restructurer le réseau d'éducation post-secondaire de la province dans le but d'en réduire les coûts; elle présente également les réactions de 36 cadres supérieurs universitaires provenant de neuf institutions. La compréhension qu'ont les universités des options dont dispose

le gouvernement si elles refusent de se restructurer volontairement est évaluée. De plus, la façon dont les cadres supérieurs perçoivent leurs situations financières institutionnelles est analysée. La thèse examine les services qui, de l'avis de ces cadres supérieurs, pourraient être fusionnés ainsi que la possibilité d'éliminer, dans le processus de restructuration, des programmes jugés de moindre qualité. Nous avons fait la synthèse des résultats, mais les avis individuels sont également cités afin de montrer les post-secondaire de la Nouvelle-Écosse pourrait encore échapper au contrôle du gouvernement.

Restructuring the Nova Scotia University System: Reactions from Senior University Administrators

Background

In 1992, the liberal government of the Province of Nova Scotia, Canada, having recently been elected on its promise to reduce government expenditures, instructed its educational advisory council to propose legislation to restructure its university system to reduce costs. Having completed research on the effects of restructuring the Australian tertiary system, the

author wondered whether Nova Scotia universities perceived this threat of restructuring as real given the history of attempts by previous provincial governments to rationalize higher education; what institutional objectives might lead universities to federation/amalgamation, what services could be merged, and whether low quality programmes could be eliminated. By conducting a similar study in Nova Scotia prior to any restructuring legislation, it would be interesting to explore the extent to which university senior administrators had considered these questions in light of the Nova Scotia Government's threat to restructure its university system. While the NSW study provided data on restructuring the tertiary system *post facto*, the NS study would be *pre facto*.

Method

The NSW questions were reviewed for the NS study since that would be pre-restructuring. The face-to-face interview was chosen as the primary method of data collection because of the small number of institutions involved. Of the twelve post secondary institutions in Nova Scotia, nine agreed to participate. In each institution the President, Vice-President Academic, Vice-President Finance/Administration and Registrar/Student Services were interviewed using open questions. These 36 interviews were supplemented by a biographical questionnaire for each institution, and archival data. It is accepted that the depth and richness of qualitative data compensate for small samples (Dey, 1993; Patton, 1980; Silverman, 1993). To analyze the data, the interview questions were converted into research statements (see below). Two readers summarized the interview data and scored the responses to the research statements using a seven point scale. For ease of interpretation, scores of 'very strongly support,' 'strongly support,' and 'support' were combined into one score; scores of 'not support,' 'strongly not support,' and 'very strongly not support' were combined into another.

Interview Results

To provide an overview, histograms for each research statement were created based on combined scores by respondents:

insert Figure: 1

- S1 University senior administrators believe that the NS. government will restructure universities if they are unwilling to do so voluntarily (Question 1).
- S2 University senior administrators have a sound knowledge of management techniques to change the current structure of the NS University system (Question 2)
- S3 University senior administrators consider voluntary federation/amalgamation to reduce costs (Question 3).
- S4 University senior administrators consider voluntary federation/amalgamation to sustain the quality of academic programmes (Question 3).
- S5 University senior administrators recognize the seriousness of their financial position in the near future due to government cutbacks and are searching for new solutions (Question 4).
- S6 University senior administrators believe services dealing with people can be merged as the result of federation/amalgamation (Question 5).
- S7 University senior administrators believe services dealing with paper can be merged as the result of federation/amalgamation (Question 5).
- S8 University senior administrators agree that termination of low quality programmes can be part of the federation/amalgamation process (Question 6).

To derive the full benefit of qualitative data, however, summary findings of interview questions provide a richer and deeper understanding of how university senior administrators view and react to the threat of restructuring.

1. What options would be available to the NS government if universities are unwilling to restructure voluntarily? (S1)

Some respondents expressed the opinion, or the hope, that the Nova Scotia government could choose to do nothing or simply give out some guidelines and leave universities to come up with a plan for restructuring since only universities know how they work. All respondents agreed that one option the government did have, and probably would use, was simply to cut funding to the individual institutions and leave them all to "sink or swim" on their own or force them into a merger with other universities in order to survive:

" . . . they can basically withhold funding and make life very miserable for the institutions, and that . . . was the easy way out for them rather than getting into the business of knowing what's best for institutions . . . So the government has a heavy hand in this process if they choose to use it."

There were those who believed some change in the funding formula would be the best solution to generate change in the system:

"The funding formula, the grant, that's their means to achieve what they want to achieve . . . if the grants are reduced to such a level that small or tiny institutions . . . can't survive . . . they would achieve a merger or federated state for an institution . . . the real power is in the funding formula."

They felt the 'carrot and stick' method could be used, with those institutions complying with government's demands to merge receiving preferential funding. A few felt the government could arbitrarily select whichever institutions it wished to fund or close. Government could also stipulate specific mergers by legislating them or it could become completely involved by doing the restructuring itself. Others saw government hesitating to legislate university restructuring, either considering it a politically unsound move, or because it lacked the "political will" to make a decision:

" . . . legislative options are clearly open to them, just going ahead and doing it, though that requires an enormous amount of political gumption which history has not indicated that provincial governments in this part of the world have."

While most of those citing legislation as an option also felt that the government would not take this step, one or two thought that government was becoming far less reluctant to get involved in universities' affairs. One respondent said that the Nova Scotia government could close "all but one or two" universities and "still have public support." Overall, almost half of the respondents believed that the Nova Scotia government would restructure universities if they were unwilling to do so voluntarily.

2. What management techniques would be used to change the current structure of the Nova Scotia university system? (S2)

Over half of the respondents said the one technique that would bring about change was a government mandate. There was more than one reference to government forcing universities to change, underlining their unwillingness to do so. One respondent said a government mandate might be "effective re restructuring but not re voluntary collaboration." Others, however, believing there is no "internal commitment to change" and institutions are "still in denial and protecting their own," said there has to be a government mandate to "overcome institutional foot dragging"; someone to be the "bad guy" to get universities working together. A small percentage felt the goal should first be set by government, and universities should then be left to "hammer out an agreement" within a set time limit. If after that time no agreement had been reached, government should then, but only then, be free to impose its own mandate. One or two thought that both government and some "university committee" or "arms-length body" should mandate and facilitate change. Some believed government should be excluded from change management; universities should be allowed "to improve themselves"; the "system works, why change it"; there is "no tradition" of co-operation, "it won't work." In other words, there was the usual school of thought of "leave us alone to fix it ourselves."

While there were those who viewed the employment of consultants as a waste of time and those who considered using their services only with reluctance, approximately 25% advocated the use of consultants to help formulate and implement the change process:

" . . . we would have to bring in outside consultants . . . there simply needs to be, throughout the process, the presence of referees . . . who are not affiliated with any institutions and are not representing an institutional interest, but are trying to push the process forward and challenge all the players at the table at that particular time, whatever the issue is, to try and think beyond their institutional interest."

In some instances the use of consultants was rejected but facilitators approved, viewed as being able to "make consultation go more smoothly" and "make consensus more possible." Generally, consultants were considered to be at 'arms length,' working from outside the institutions involved in the restructuring process but with knowledge of both universities and mergers. Facilitators, on the other hand, were usually associated with the institutions concerned, with the ability "to drive the ideas." One respondent felt facilitators should be "those whom you trust," but considering the degree of suspicion between the institutions, or within institutions for that matter, it was hard to determine who those people would be. This lack of trust due to large differences in size of the institutions was cited in several instances in phrases such as "communication as a community of equals" where "bigger is not better" and has been the stumbling block for decades when discussing restructuring the system:

" . . . my instinct is to go with dialogue and discussion . . . but my experience since 1971 is that it hasn't moved anything anyway."

In summary, almost two thirds of the respondents had some idea how to change the current structure of the Nova Scotia university system, but very few demonstrated a sound knowledge. One third had no idea about management techniques for this purpose. Most respondents, resisting the possibility of losing their independence, appeared to have given little thought to how to restructure the system other than a government mandate.

3. What institutional objectives might lead to federation/amalgamation? (S3, S4)

The data showed most institutions wanting nothing to do with restructuring the Nova Scotia university system and only when pressed outlined what might prompt them to consider reluctantly any form of change. These responses often started with all the reasons why restructuring was not for them. Most argued that their particular objectives did not lend themselves to any form of affiliation; their programmes were unique; they had a particular niche or culture, and individuality and identity would be obliterated if they associated in any way with other institutions:

"I can't think of any institutional objective that would lead us to anything but the loosest version of federation . . . because this institution is premised on a linkage with community in a particular niche of educational work, that does carve it out, I think, only as an autonomous institution . . . any of the other versions, I think, are anathema to what the most fundamental institutional objective would be."

All of this persuasion said they would have to be forced into restructuring by government. One respondent asserted they would rather cut programmes, services and student numbers to remain independent. There was the repeated assertion that only financial difficulties would push them towards restructuring and things were not yet so difficult.

Not all institutions, however, reared up in horror at the thought of restructuring. Some, while admitting that they were not particularly enamoured of the idea, felt some form of restructuring could serve their major objective of financial viability and the ability to continue programme delivery to the community:

". . . the fundamental overall institutional objective is to try to sustain quality and the range of programmes . . . that we now offer, while addressing the reality of phenomenal government cutbacks . . . if we didn't have any question about our financial viability we wouldn't be interested in any of those things. So its really the finances that are driving the whole thing . . ."

Again, of these, there was the desire to retain identity and some degree of autonomy but not at the price of going out of existence.

To summarize, only 40% of university senior administrators would consider voluntary federation to reduce costs and only 35% to sustain the quality of their academic programmes. Even within these institutions, there was the repeated assertion that autonomy or identity be retained. One or two individuals felt only a complete merger would rescue their institution from its pending financial disaster. The only form of merger that was supported more widely was the amalgamation of administrative services (see below).

4. What is your institutional financial position? (S5)

The overwhelming message concerning the financial position of universities was that they were in rather dire financial straits despite repeated assertions of institutions being "very well managed"; "free of debt"; "healthy" and even "in great shape." Following these positive assertions, the truth emerged about these "healthy" financial positions, with programmes threatened, services reduced, building maintenance deferred, and salaries frozen:

"The university is skating on the borderline of total disaster. Basically, although it has had a balanced budget for the last . . . years this is only by very dire financial moves which have really made it very difficult to deliver programmes."

A few respondents, the minority, bluntly stated that the future was very "precarious" and further cuts in funding would be disastrous, even threatening the institution with closure:

"We face a horrendous problem . . . depending on what levels the government need to pull out of postsecondary education, how successful or unsuccessful we are in convincing them that to go too far would destroy postsecondary education."

Despite this truly bleak picture, for the most part these universities showed little enthusiasm for, or even interest in, any form of restructuring of the university system which could solve to some extent, if considered seriously and wisely, their pressing financial problems. Only three institutions were seriously interested in some form of merger and one of those three had no immediate financial problems, although this could change some time in the future. Even those universities facing squarely the realities of further reduced funding still resisted the idea of

amalgamation or merger, fearing loss of identity or autonomy. Overall, 60% of respondents failed or refused to recognize the seriousness of their financial position if faced with further government cutbacks, and were rejecting merger with other institutions as a solution to this problem.

5. How can services be merged? (S5, S6)

Almost all respondents felt that some proportion of administrative services could be merged but did not always agree which could be merged or how. One individual said their services were so uniquely designed for their institution it would be difficult to merge them with any others. Seventy% of those advocating the merging of services were firm in their belief that there should be a distinction between services to people and services to the institution:

" . . . it would be quite easy to set up a central payroll service . . . on the other hand you could not in the same way merge the counselling centres, you need the counsellors on site delivering service person to person."

In considering services to people, concern was frequently expressed for the well-being of students. There were those who advocated that all services to students be retained on each campus, and those who separated student services into 'people' services and 'paper' services. The latter group of respondents felt all 'people' services such as academic and personal counselling should be maintained on each campus while 'paper' services such as fee payment, record keeping, and application for admission could be centralized.

There was, however, some divided opinion on the possibility of centralizing admission requests. A few felt that this was part of 'mission sensitive' services, that is, those services involving identity, be it alumni identifying with a particular institution, or students favouring a particular campus when applying for admission, or an institution's own identity when recruiting students and faculty.

Human resources was one service identified by some as a 'paper' service but by others as a 'people' service. One interviewee said human resources is associated with identity because of an institution's own academic programmes and collective agreements, and thus would not be at all easy to merge, although that would depend on the form the merger took. A loose federation could mean that individual collective agreements might be retained. Another respondent said that while agreements would be difficult to merge, resolution would be feasible if individual agreements were set aside and a new one devised for the new institution.

In contrast, all respondents stated that such services as payroll, purchasing, accounting, and printing could easily be merged. Institutions in close proximity could merge services much more readily than those geographically removed from each other. While it would be inefficient to merge physical plants not close to each other, respondents felt that many obstacles caused by geographical distance could be overcome by effective use of technology and communications.

There were various but less positive opinions on how easily services could be merged. Some felt a central operations centre with satellite offices on each campus providing personal contact would provide the best services, while some thought that telecommunications and computer networks would suffice. A few respondents suggested that where one institution was demonstrated as having the best version of a service, it should provide the service for all others. There were, however, reservations voiced about this idea, some feeling it could result in the institution providing the service putting its own interests first, or larger institutions getting a disproportionate share of the service over smaller institutions. There were two references made about the possibility of out-sourcing services; e.g., payroll.

A few respondents mentioned the merging of academic services; i.e., eliminating programme duplication, sharing programmes:

" . . . the academic services where the major expenses lie . . . could be merged, no matter what the structure . . . on the academic side certainly lots of saving to be had and more sensible alignment in the program delivery"

The institution that delivers the best version of a programme should be chosen to offer the programme, via technology, to all institutions that wanted the programme but could not afford to mount it on their own. As the greatest cost in a university was in the delivery of programmes, this was also the area for the greatest savings. Merging administrative services alone would not result in huge savings. Moreover, budget cuts in these services had already taken place and services could only be reduced to a certain level below which clients were no longer being adequately served.

To summarize, merging services seemed to be acceptable to all senior administrators. There was complete agreement that 'paper' services could be merged whereas 'people' services were by some deemed essential for individual campuses. Another concept was the notion of 'mission sensitive' services. Respondents agreed strongly on merging services, but were aware that some would be problematic yet 'feasible.' While most respondents concentrated on the merging of non-academic services, a few stated that unless programme duplication and delivery costs were addressed no great savings would be achieved. As one respondent said " . . . more can be done than people are willing to admit," but it is that willingness that is the key to successful change.

6. How can low quality programmes be eliminated? (S8)

Overall, 75% of respondents agreed that low quality programmes can be eliminated as part of the restructuring process in Nova Scotia. Because of the uncertainty over what 'low quality' may mean, respondents advised caution when judging programmes and all agreed that some form of evaluation should be instituted. Two respondents felt that faculties should determine quality, with quality being "budget driven." This would mean that their "best" programmes, by whatever definition, would be funded and "less good" programmes would be eliminated. One of the respondents advancing this idea, however, qualified it with:

" . . . down the road I do see . . . the necessity for system review . . . of the campus and to some external environment so that our accountability is enhanced."

This latter method of objective, external, system-wide evaluation was supported by almost half of those considering how to determine quality. More than one pointed out that it is difficult to persuade institutions to drop programmes because this is an alien concept in universities. One interviewee did say, however, that while people can be very defensive about their programmes, they become far less defensive if they see themselves moving to something else, something better.

Half of the respondents said that consideration should be given to the programme's place in the institution's mission before any final decision was made. As one respondent pointed out, a programme must be judged on "cost and social need" as well as on quality or, as stated differently by another, on "strategic versus quality" considerations, making any decision "complicated and difficult." In times of limited funding, the elimination of higher quality but non-essential, low demand programmes might be necessary to improve the quality of 'bread and butter' ones. Another respondent pointed out that quality becomes moot if a programme is:

" . . . the biggest money loser . . . if you don't get rid of the loser, you have to get rid of so many others."

Another point addressed was when in relation to restructuring should these low quality programmes be dealt with. One third of those who raised the point felt that elimination of low quality programmes should take place after restructuring, either because it was too much to handle all at once or because it should be done at the institutional rather than at the system level. One half, however, felt that programmes should be reviewed and, if not serving the institution's mission, be eliminated as part of the restructuring process. As one respondent said:

" . . . the weakest one is going to have to go . . . if you don't make that decision before you restructure, you may never be able to make it."

One variation was that quality determination should be part of restructuring but application should come later.

Differing opinions were voiced on why restructuring was the time for eliminating programmes. One respondent felt it was "strategically better to have the review as part of the

merger" because "quality would not be highlighted, but fiscal cutting given prominence." That way, those who were part of a programme judged poor quality would feel less defensive and more able to accept a decision apparently based on financial considerations. This circumspect approach was in contrast to those advocating "have reviews, choose the best and cancel the worst." One respondent's final words perhaps summed up the ambivalent feelings of many towards restructuring and all its ramifications:

" . . . it will be such turmoil . . . to . . . restructure . . . you might as well throw everything into the pot and just have everything a mess . . . but . . . you might not come out the other end of the meat grinder."

In summary, there was general consensus that low quality programmes can be eliminated as part of the restructuring process, but there were many reservations about the definition of 'low quality' and how it could be dealt with. Termination of programmes should be based on external reviews, on whether the programme was deemed necessary to the new system's or new institution's mission, and on whether or not funding for the programme was guaranteed.

DISCUSSION

Restructuring Opportunities

The results of the case study indicate that senior administrators agree some administrative services can be merged. They differentiated between services dealing with people and those dealing with paper (see Figure 1, S5 and S6). However, little thought was given to the effect merged services would have. While the suggestion of merging printing services could result in savings in personnel, service contracts, or supplies, it could mean also additional costs or loss of service. Increased distance would mean transportation: trucks, gas, drivers; costs that could outweigh savings. From a service point of view, distance would increase the time required for delivery in both directions. Users no longer could expect duplicated materials at the last minute "hot off the press." As noted in the NSW study, centralization of services can also increase bureaucracy. Massy and Warner (1991) and Scott (1984) note the tendency towards increased

bureaucratization and centralization in universities in times of fiscal restraint. Guskin (1994) noted that centralized services can be remote, responsibility abrogated, and decisions ill-informed. He believes that decentralized services give better-informed decisions and that accessible people take responsibility. There is also the danger that merging services initially is very destructive and stressful for users and staff adding to the overall negative impact of mergers (Denis, Lamothe and Langley, 1999). It appears that those advocating merging services do not value the current level of service. Perhaps they themselves have little experience with the service, or take it for granted. Little thought was given to the impact that merging services would have on support staff. This theme of ignoring support staff and the value of the services they perform predominated throughout the interviews. While all senior administrators agreed that 'paper' services and some of the 'people' services could be merged easily, few got beyond the idea of non-academic services to considering academic services; i.e., programmes that absorb the bulk of a university's budget. Still, this preoccupation with academic programmes was not surprising considering most of the senior administrators were academics and greatly influenced by their own agendas and those of the faculty (Holton & Phillips, 1995; Trow, 1975). It is worth noting that despite the overwhelming acceptance that paper services could be merged, this did not happen with the formation of the Metro Halifax University Consortium. It was the amalgamation of Dalhousie University with the Technical University of Nova Scotia that saw the merging of 'paper' services (see below).

For the most part, there was widespread belief that low quality programmes could be eliminated as part of the restructuring process, although there was some reluctance to admit to low quality (see Figure 1, S8). At the same time, some respondents argued that evaluation of academic programmes should be an ongoing process with established criteria and external reviewers. Others stated the importance of selecting programmes that supported the mission of the institution. The more practical focused on the budgetary implications of keeping a few expensive programmes at the risk of losing less costly but academically valuable ones. Respondents appeared to have the knowledge of how to identify low quality programmes,

criteria for selecting programmes for closure, etc. Bearing in mind the repeated threats by government over the last five years that university funding will be cut, the inaction of most universities to deal with this issue responsibly on their own, contradicts the claims by university senior administrators that they are the only ones who know the university's business. Moreover, when almost 80% of the respondents agreed that termination of poor programmes could be part of the restructuring process and several conceded that programme duplication is a major expense, it would appear that this by itself could be justification for the government to legislate restructuring, either using fiscal or public policy instruments to achieve this objective. Fundamentally, this illustrates that while universities claim to know their business best, they also appear the least able or willing to take action on their own to change themselves.

This discrepancy between universities' claims and realities could be ascribed to various factors. Cyert (1975) believes that the short term in-office of administrators militates against their being able to take any long-term approach to change. The "Reform from Within" or the "Golden Era" myths of Millard (1991) may be at play. Awareness of poor quality and programme duplication without addressing the problems may be a result of tenured faculty and collective agreements tying the hands of administrators (Cameron, 1991; Ross, 1976; Shore, 1992; Sommers, 1995). Another possibility is that in times of financial strictures, universities adopt "domain defence strategies" designed to protect the 'legitimacy of the core activities' and are unwilling to concede the necessity of removing programmes, even if they are poor quality (Cameron & Tschirhart, 1992). Reiten (1992) found that senior administrators are as adverse to making academic decisions as are faculty, and Seymour (1987) writes that academic planning consists of adding new programmes while retaining old ones.

Weinstein (1993) on the other hand, believes that universities seem to 'dare' governments to take legislative action. This latter possibility appears to apply to Nova Scotian universities.

Respondents noted that historically there did not appear to be the 'political will' by government to step in and legislate university restructuring, an indication that, as yet, the external force requesting change has not been greater than the internal force resisting change.

The External Threat

A large proportion of university administrators thought that the Nova Scotia government would restructure universities if universities were unwilling to do so voluntarily, believing the government was no longer as hesitant to step in and take charge because public opinion was on its side demanding greater accountability on the part of universities (Figure 1, S1 and S2). An equal proportion of administrators felt the government would not go as far as legislation but leave universities to make their own plans, a belief based perhaps on the Nova Scotia government's "much less direct role in pursuit of rationalization" of the 60's (Cameron, 1991) and of Regan's government of the 70's being "willing to bend in the face of opposition"(Eastman and Lang, 2000).

All felt that cutting funding was an option, as it has been for years, with some believing further cuts would see the end of their institution. Others were convinced they would ride out further cuts by reducing programmes, services, and student enrolment, all to avoid amalgamation.

A few considered targeted funding an incentive towards amalgamation. There was the general belief that government knew nothing about how universities worked so institutions should be left completely alone to come up with their idea of co-operation and restructuring, the same belief voiced by Australian academics when faced with Dawkins' initiatives of 1987: "It is an affront to common sense to seek to restructure a system you do not understand" (Bourke, 1988, p.3). These results suggest that unless the threat from an external force is present and real, the academy will continue to resist restructuring to achieve increased efficiency or effectiveness.

It appeared that a threat from the Minister of Education in August 1994 had some effect on universities when he summoned them to a meeting and simply said:

"You have talked about autonomy — in fact, that's all you ever talk about. So all who want to be autonomous, get up and leave the room. The rest of us will stay and talk about money." (Dwyer, 1996, p.62).

As a result, and subsequent to the interviews, the Metro Halifax universities agreed, at the last minute, to form a consortium to demonstrate to the government their ability to save 17 million dollars without reduction in enrolment and without government legislation. In 1996 the Nova Scotia government approved the business plan of the Consortium, rewarded Dalhousie University and the Technical University of Nova Scotia (TUNS) with extra capital funding for agreeing to amalgamate, and provided Saint Mary's University with funding for a business school building to be shared with the other business schools in the Consortium. Three other institutions were granted additional funding. It appears, in order to keep peace among the institutions the provincial government awarded something to almost all (Eastman and Lang, 2000). This is not surprising as the Nova Scotia Government views universities as one system. It should be noted that by the year 2001 most of the 17 million cut from the budgets of Metro Halifax universities has been replaced.

Living within one's means

The responses to the research statement that university administrators recognized the seriousness of their financial position in the near future due to government cutbacks and were searching for new solutions, were mixed (see Figure 1, S7). One got the impression that some universities prized independence over everything and would endure further financial strictures rather than consider any type of union with another university. It was evident how little most universities had done to initiate collaboration with others in an attempt to maintain programme levels or services or otherwise alleviate their financial woes, other than Novanet, the provincial-wide university library system, which was mentioned quite often. One university president was actively soliciting funding outside the institution and establishing collaborative ventures with local businesses, but this vigorous activity seemed to be seldom repeated in other universities. As noted by Cameron and Tschirhart (1992), "domain creativity" strategies are seldom initiated in universities. Perhaps the decline in services, both administrative and academic, had been so

gradual that those involved had time to adjust and get used to reduced funding so, over the years, it did not seem so bad, the 'boiled frog' syndrome (Kanter, et al., 1992). The possibility also exists that some members of the senior administration are, despite their position, ignorant of the true state of their institution's finances. The degree of concern may also have been tempered by how much of an institution's budget had a government source, how much comes from tuition, or the extent of its endowment. Finally, some respondents may have played down the seriousness of their financial health because the interviewer was perceived to have a conflict of interest being a member of the senior administration at the university which was, at the time of the interviews, actively promoting merger as a solution to its financial woes. The other institutions, therefore, would not want to show any vulnerability. In general, it was astounding that almost 60% of the respondents did not support the research statement and were prepared to 'live within their means,' whatever that means

. Clearly, the majority of respondents were committed to 'domain defence' rather than to 'domain offence' or creativity as defined by Cameron and Tschirhart (1992).

Maintaining the *status quo*

Responses to the research statements that university senior administrators considered voluntary federation/amalgamation to reduce costs and/or sustain quality of academic programmes were remarkably consistent within institutions, not only whether the statement was supported or not (Figure 1, S7 and S8), but also the degree of support; i.e., very strongly or not very strongly. The two institutions which scored very highly in support of merger both have graduate programmes, professional degrees and large research activities. The reason for advocating merger was the dire financial situation of both institutions. It appeared that neither felt threatened by others with respect to its programmes, so each institution's mission or identity could be retained and programme delivery sustained or enhanced through merger and cost cutting. The exception was the president of the Technical University of Nova Scotia who proposed to the president of Dalhousie University that the universities amalgamate to preserve

the academic quality of the engineering programme (Eastman and Lang, 2000). Respondents from three institutions showed themselves to be strenuously opposed to restructuring to reduce costs, or reducing costs was not of primary concern. Two official reasons were offered why federation/amalgamation was totally unacceptable: geographic location and/or mandate. These opinions were often voiced by the same respondents saying that present financial difficulties were hampering delivery of programmes, curbing services, postponing building maintenance, and that greater financial stricture was looming in the near future. One got the impression that some institutions would rather starve to death than join others. In light of these responses, those who advocated that institutions should be left alone to solve their own problems might be asked why they have left it so late to come up with solutions to their financial troubles and refuse to consider the option of federation or amalgamation. Despite the few who were promoting mergers, with the rare inclusion of consolidation of programmes, the overwhelming majority would prefer to be left alone to muddle through as best they can, as they have been doing for years regardless of their financial situation.

This inaction may have several explanations. Perhaps it is a case of the ‘boiled frog,’ or of organizations being unable to change from within (Pfeffer, 1992), particularly as applied to universities (Millard, 1991), or because

“Even without unionization, university decision making has become sufficiently politicized that it is often easier to block change than to promote it” (Cameron, 1991, p.448).

Perhaps all of these scenarios apply. Even fewer respondents supported the research statement that they would voluntarily consider federation/amalgamation to sustain the quality of academic programmes. Two institutions strongly rejected the statement, citing programme uniqueness as the reason. Four institutions were all strongly in favour of the statement; two had advocated federation/amalgamation for cost cutting measures. These were the extremes. There were various opinions expressed within the remaining institutions with some individuals voicing support for the statement and others withholding support because of their fear that their particular

programmes or community-based mandate would be submerged by those of other, larger institutions. These reactions reflect the observation made by Cameron and Tschirhart (1992) that universities very seldom choose merger, what the authors refer to as "enactive domain creativity" strategy, as a means of increasing institutional effectiveness. Perhaps an earlier comment by Cameron sums up why this is so:

"Individual institutions . . . tend to view themselves as having unique characteristics and goals, and as not being comparable to other institutions"
(Cameron, 1981, p.610).

Conclusion

The results of the NS case study demonstrated that most senior administrators have accepted the provincial government's inability to fund universities to the extent it did in the past. Despite this, many respondents had not seriously considered voluntary merger of academic programmes to ensure a high quality university system. Only if the government forced institutions to merge, or cut their funding to such an extent that the future of an institution was threatened, would some universities consider a loose federation.

While most respondents recognized that the Nova Scotia government had the legislative authority to reduce funding, change the funding formula, and legislate mergers and closures of universities, more than half did not think government would use its power to restructure the university system. However, at the time of the interviews in 1995, a substantial number recognized there was enough public support for government to use 'its power of the purse' to 'encourage' voluntary mergers. By merging municipalities and hospitals, in 1996 the Province of Nova Scotia had spent its political mandate to cut expenditures. It did not have enough political support left to legislate restructuring its postsecondary system.

Recognizing this and lacking support from university presidents, the government accepted the counter proposal of Metro universities' to form a consortium and to save 17 million. The government hoped, by not stipulating specific goals for the consortium other than reducing

expenditures, to avoid being accused of intrusion in university management. Cameron's words ten years earlier still pertain to Nova Scotia:

“The goal of system rationalization remains as vague and elusive as ever..
little has come directly from government complaints and exhortations...
provincial policy has been remarkably respectful of institutional autonomy”
(Cameron, 1991, p. 448).

In conclusion, unlike the Australian universities, Nova Scotia universities successfully evaded restructuring by government in the 1990s. They demonstrated again their ability to defy the government's threat to rationalize higher education without their consent and special funding, and retaining their independence. How strong would a threat by government have to be for university senior managers to react differently in 2001? Based on their past successes, there is little doubt that they will continue to believe that while government may have the power to restructure the system they will never have the political will. Consequently, how realistic are Nova Scotia governments and the public in believing that they are able to restructure the university system?

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