

# The Corporatisation of New Zealand Tertiary Institutions: A Decade of Change

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**ABSTRACT:** *The tertiary sector worldwide has been subjected to ongoing change. One area where change has been significant is in the corporatisation of institutions and the associated rise of managerialism. This article reports on a qualitative research study conducted in three New Zealand tertiary education institutions that explored the leadership experiences in these tertiary institutions. It aimed to provide a snap-shot a decade later of changes in the corporatisation of tertiary institutions in New Zealand. Comparing the data with an original study conducted at the height of the initial changes has shown that the process of corporatisation, while having several benefits, has also created some challenges/issues that need to be addressed if the intended benefits are to be realised and built upon.*

## Introduction

Over 20 years ago, a Labour Government in New Zealand introduced sweeping reforms across all sectors of society in response to a fiscal crisis (Howse, 2005). In the context of these reforms, Treasury influenced the Government to conduct reviews of Tertiary Education that led to radical and comprehensive reform of the 25 New Zealand polytechnics mandated in the Education Amendment Act (NZ Government, 1990). Several emerging practices and issues were revealed by a research project that identified changes in strategic management and leadership at that time (Howse, 2005). These changes were reported under the headings of Process (related to strategic planning, introduction of financial management systems, and seeking external funding); Leadership (improving middle and senior management practices, and promoting professional development); Organisation (restructuring the organisation); and Culture and Values (related to the introduction of academic quality management systems and developing research). The present study was conducted to investigate leadership practices and issues in New Zealand Institutes of Technology 10 years on. The current article explores the shifts over this period in leadership practices and issues in New Zealand Institutes of Technology.

## Research Methodology

To make comparisons, the researcher returned to the settings that featured in the original study to select participating institutions for this follow-up study. Three of the original five case study institutions agreed to participate in the current study (coded as A, B & C).

In the original study, the important themes and trends emerged most clearly from the qualitative data obtained from semi-structured interviews with senior leaders (directors, deans

and heads of department) and interviews with selected academic staff (program leaders). Therefore, for the present study the researcher liaised with a key person in each institution for assistance with the identification and recruitment of senior leaders (chief executives and directors) and middle leaders (deans, group managers and program leaders) who were then approached to seek their agreement to participate.

Semi-structured interviews were conducted with senior leaders (n=6). Focus groups were run in each institution with up to six academics (coded ML n=12). All interviews and focus group discussions were digitally recorded and transcribed independently. Transcripts of the interviews were sent to participants for verification.

The approach adopted in the study is in line with an interpretivist framework, where qualitative methods predominate and with interviews being one of the key data collection tools (Mackenzie & Knipe, 2006). Focus groups in qualitative research are also particularly useful as a qualitative technique to evaluate viability, anticipate effects and evaluate implementation (Gilflores & Alonso, 1995).

Data were analysed using thematic coding, where the researcher worked with the data directly through *open coding* for the emergence of initial key themes (Holton, 2010). The themes that emerged from the original study a decade ago were used to identify relevant themes from the data in the current study.

In the next section, the main themes are outlined and a comparison made with the original study. This is followed by a discussion, where the findings are interpreted in more detail. The article ends with a conclusion that reinforces the insights into the current state of leadership practices and issues within New Zealand tertiary institutions.

## Themes

The following themes were identified through analysis of the interview and focus group data: Changing credentials for senior leadership; Greater middle leadership infrastructure; Increased strategic management; Funding shifts and rising academic accountability; Enhanced research focus; and Increased/excessive workload.

### **Changing credentials for senior leadership (now embedded)**

In the original study, it was found that the mandatory requirement of the Education Amendment Act (NZ Government, 1990) created a major shift in the role of the former principal to that of the CEO of the restructuring tertiary institution. The five case studies showed then that a change in the leadership role occurred. Different skills and abilities were required to lead the changes, with many principals not necessarily having ‘... the skills and experience to transfer to the position of CEO’ (Howse, 2005, p. 146).

This trend appears to have now become embedded in the structure of tertiary institutions with senior leadership appointments requiring financial and strategic management experience. Three senior leaders in the present study (ASL1, BSL3, CSL5) had a broad skill set and range of experience in leadership and management. They signalled that prior to their appointments they had experience in financial management and strategic planning in a commercial environment.

An issue that arose for them was that their respective appointments heralded the commencement of a dual role that required academic leadership while managing an institution. Even though they believed that they had not lost sight of the fundamentals of teaching and learning given their considerable experience and expertise in tertiary teaching, one noted that,

‘[I]like all things in the tertiary world, in some ways it is quite unfortunate but if you want to get on you probably leave teaching behind and become more embroiled in management, which is exactly what I did’ (ASL1).

In all three institutions, an appointment policy for the senior leaders was adopted to ensure the dovetailing of strategic alignment and financial deliverables. For example, a senior leader noted that he was brought in as a change manager to focus on improving the quality of teaching and student learning outcomes:

A lot of the changes that we introduced were why I was employed, to introduce these changes, around focussing on the learner, on the student, improving teaching and learning and raising quality ... That was to say that we should focus on the students right from the moment they enquire, right through the moment they graduate and beyond, focussing on their whole journey. That was a key part of our strategy and was presented in the institution’s first Investment Plan. ... Also we introduced a new approach to self-assessment, focussing on the development of self-assessment reports ... That of course was encouraged by the TEC approach with education performance indicators ... that was a great supporting mechanism for us. (ASL2)

### **Greater middle leadership infrastructure (now embedded)**

In the original study a decade ago, it was noted that with the changes came a need for the development of a middle management infrastructure for academic leadership and administration (Howse, 2005).

The emergence of such a structure was apparent in the current study. For example, the senior leaders interviewed signalled that they had addressed the demands of their role by building around them a leadership team with a diverse range of skills. All six interviewed gave a short outline of their previous work experience. They also commented that they could not be expected to have the expertise in all areas and thus it was essential to delegate.

The development of a middle/academic leadership structure was confirmed by comments made by middle leaders regarding their increased workload and the increased demands of their newly designated roles (see quote cited in the theme: Increased/excessive workload).

### **Increased strategic management (changed significantly)**

In the original study, it was reported that prior to the Education Amendment Act (NZ Government, 1990) tertiary institutions had minimal experience in strategic planning. Many institutions had not developed a strategic plan until the later part of the 1990s and initially the strategic plan was not a living document in their day-to-day operations (Howse, 2005). The current study showed that this had changed considerably over the last decade. One senior leader who had seen the changes said when he was first appointed he soon recognised that one of the main faculties did not have a strategic plan:

So, we started right from bottom up, we didn’t have a method of preparing financial assessments against strategic initiatives etc. ... that has evolved to our current process where we have, over the last five years, a far more robust strategic planning process, which cascades down from the top through the faculties and through the support areas. (BSL4)

A senior leader at a different institution stated that:

We definitely have a strategic plan and also underpinning strategies that accompany it. I think there is far greater alignment now between that planning, our investment plan, and what we are actually aiming to deliver ... so I think that whole part of the organisation has already been strengthened and will continue to be strengthened. (CSL6)

All the senior and middle leaders interviewed indicated that the strategic plan is a living document in their respective institutions and that it is expected to meet the demands of the external environment (Tertiary Education Commission, Ministry of Education, business, industry and local iwi) as well as to cater for the needs within the internal institutional environment (governors, staff and students).

That the strategic planning process has now become an essential part of tertiary institutions is also supported in the current study where one senior leader (BSL3) emphasised that it is essential that conversations about strategic matters do not occur only at the tier 1 senior leadership level but also at tier 2 and tier 3 leadership levels. He outlined the annual strategic planning process that they follow:

We have instituted a formal strategic planning process, which has a known annual cycle and over time, through the people who have led strategy and planning here, we've got the deans and the directors into a relatively standard format for how they talk about their strategies. We have in this annual cycle; it starts with a council strategic planning day – which the deans and directors all attend. Based on the output of the strategic planning day we have a formal update of our strategic plan which is formally endorsed by Council. In that context, then, in sequence, the deans all come forward with their strategic plans for their faculties, coached and mentored in a standard template. Then following on from that the directors produce their strategic plans which are of course done in that sequence, so they can indicate how they're going to support the faculty's strategic plans. (BSL3)

Despite these efforts, the process of consultation was often reported as less than ideal in some aspects. For example, a senior and a middle leader from the same institution commented that the real challenge was to keep the staff focused and engaged in the strategic planning process:

From a lecturer's perspective, they're busy with their teaching so it is very easy for them to lose sight of this plan. So, we are working on what can we do to make sure it is visible to them and it is in their minds ... I've created a one-page flyer and I've laminated that ... and I've given each staff member that. I have three key priorities and strategic priorities and I want them to remember that. (BML6)

Another said:

I'd say it is still probably a little too operational, rather than truly strategic. It is a little bit of a hybrid. We are better at the strategic 3-5 year thinking than we've been before. But we're probably still a little bit focussed on the 1-2, which is more operationalising the strategic planning elements. That has been successful because we now have a higher level of engagement. The next step is to more fully engage all our staff so that you truly do have a two-way process. At the moment, it is still a little bit top-heavy, so it is more this is what we're doing downwards, rather than truly having an engagement methodology to listen to the feedback and the good ideas. (BSL4)

The challenges of the volatile economic and political environment within which tertiary institutions operate was acknowledged by participants. A middle leader noted:

I suppose it is about the dynamic external environment, isn't it? You can set a path; you can have a plan five years out and then you have a change of government or you have a minister who wants to go in a different direction. ... If the dynamic external environment stayed constant, strategic planning would be a lot easier, but you're constantly having to set a path or a plan and then adjust as these things come along. (BML7)

And another:

The strategic change for our institute is also driven by the environment and the government of the day, and we've had to move from being in the business of education to now being in the education business, I think that is a subtle but big

difference ... so we not only have the education performance indicators, but we also have to understand the financial deliverables ... so today's educationalist actually has to be an education business manager, and that creates a completely different strategic direction for an institute. (AML4)

These observations highlighted the link between strategic planning and a changing funding base and the issues that this presented for leadership.

### **Funding shifts and rising academic accountability (changed significantly)**

In the original study a decade ago it was noted that, 'The Polytechnic did not always have the business infrastructure to manage what was becoming a large business'; 'Student fees increased on an annual basis'; and, 'there was a need to develop external revenue' (Howse, 2005, p. 124).

It was also noted that one of the key issues regarded the need to introduce academic quality management systems. One dean interviewed recognised that: '[t]he greatest impact of the Education Amendment Act (1990) was the introduction of quality assurance in academic programmes and that accountability ...' (Howse, 2005, p. 204).

Three tertiary institutions in the present study confirmed the continued high level of accountability to the Tertiary Education Commission (TEC) in terms of financial reporting and the meeting of performance indicators.

In addition, the election of the National Government in 2008 led to the adoption of a new funding model; '[t]his means that we are moving from a system that funds purely on enrolments to one that funds both on enrolments and results' (New Zealand Government, 2010).

In one institution (A), there was a significant strategic shift in academic accountability from the senior leadership to middle leadership and the academic staff, since the Ministry of Education over the last five years had focused more strongly on student outcomes '... with a particular emphasis on high quality teaching' (Thrupp & Irwin, 2010, p. 227). Academic staff were, therefore, encouraged to pick up more responsibility for their teaching and learning by the introduction of self-assessment and classroom observations in an endeavour to align with the Tertiary Education Commission (TEC) requirements and institutional performance indicators.

This was supported by two middle leaders from the same institution who commented on the changes. One said:

A lot of it has been funding driven and, the big change is around the movement into self-evaluation and the whole requirements that are brought through with that ... I think it has been a fundamental change in the way that we operate and that we're constantly reviewing the way we do things. I think also there is this whole great emphasis on educational performance which has changed the mentality that used to be an uncapped environment ... and there wasn't the same emphasis on educational performance. (AML2)

The other:

There have been a lot of strategic changes that have mostly been funding driven, some have been philosophically driven but ... we've taken a move lately to successful course completion and successful qualification has been major drivers of funding and reporting, which has created a huge strategic tension between academic integrity and completion. (AML3)

There is a sense that as pointed out by Kim (2008, p. 39), 'there has been a loss of dignity in the academic profession. Every aspect of academic life seems to be subject to management ...'.

### **Enhanced research focus (changed significantly)**

In the original study a decade ago, it was seen that the introduction of undergraduate degrees necessitated the development of a research infrastructure. Staff with experience and expertise in research needed to be appointed. Many academic staff were required to urgently upgrade their academic qualifications. Funds for research had to be prioritised in the annual budget (Howse, 2005).

The current study showed that not only did institutions now need to maintain a research culture but academic staff increasingly needed to be capable at postgraduate level in research. The expectations were now embedded in the culture and the level of capability was increasing.

One senior leader (CSL5) noted a major shift in the appointment and recruitment of academic staff with the capabilities and capacity to conduct research, to teach and to supervise postgraduate students.

The observation from the initial study that research funding needed to be prioritised had now changed dramatically with staff now being required to provide research outputs driven largely by the introduction of the Performance-Based Research Fund (PBRF) by the Labour Government in 2002:

The PBRF assesses the research activities of New Zealand academics and, on the basis of their 'performance' funds the tertiary institutions they are employed by accordingly. The move to assess, evaluate, and rank the research performance of academics in New Zealand has been in line with similar activities conducted in the United Kingdom through the Research Assessment Exercise (RAE) and Australia's Excellence in Research for Australia (ERA). (Smith & Johnston, 2010, p. 167)

One senior leader commented:

Research was the other big strategic shift that I saw over that time, along with the PBRF and initially my institution didn't participate in the first PBRF round. It has now participated in the second and the third one. That I think is quite a strategic change as well, trying to shift us into a research culture and driving research because we've got quite a few degree programs running and there is an obligation to be research active. (BML6)

This major shift into higher qualifications and the need to appoint staff who were research active was confirmed by a senior leader in another institution (C) who noted the phasing out of the lower levels 1-3 courses with the institutional shift to a postgraduate suite of qualifications to achieve growth in research outputs and the development of a research culture (CSL6).

### **Increased/excessive workload (new)**

A significant development identified by most middle leaders in the current study and not seen in the original study was the increased demands of their newly designated roles. One participant commented:

The roles and responsibilities are now so great. Now it is just meeting after meeting after meeting and the role and the responsibility has gone way above where they should be. There is no time to think now ... I am too busy working in the business, rather than on the business. (CML10)

The demands to be research active while also being academically accountable were a source of growing pressure for this group along with the devolved responsibilities from an equally challenged senior leadership. Comments from middle leaders indicated the seriousness of this: 'My role has become quite big' (CML9); 'I feel like I've got a lot more work to do and I'm not sure that it is not too much work to cover' (CML11); 'But I'm thinking I'm doing

something wrong, something is not right here because I'm not getting on top of anything' (CML11).

Interestingly, this was the area in which a distinct difference between the experience of senior and middle leaders emerged. In general, the senior leaders appeared to have formal time for strategic thinking whereas middle/academic leaders, because of their cascading responsibilities, had little time to think about strategic matters unless they took time outside of their work hours.

The stresses involved in a cascading set of responsibilities and inevitable increase in workload were exacerbated by a failure to provide adequate training. An academic/middle leader from C institution commented that heads of departments (included as middle leaders) were suddenly expected to step up and do twice the job in twice the management sectors and that:

There had been no real support or training for those staff on how they were meant to manage that, get their heads around their new areas and how they are meant to manage teams and qualifications that they know nothing about, and yes, you rely on the expertise of those people but it becomes tricky. (ML12)

Four program leaders (from the middle management group) from A institution expressed their disappointment that a strategic leadership course that they were participating in was discontinued and one commented:

I believe that if training could have been continued we could have built on that first year of everyone getting to grips with their roles and getting to know one another. (ML4)

Another continued:

I certainly agree that there has been a lost opportunity ... where there could have been a lot more work done moving on from the foundation that had been built around leadership. (ML2)

## **Summary of themes**

The themes above show that some practices had become embedded in the leadership in/of the institutions (Changing credentials for senior leadership), while others had shown significant changes over the decade (Greater middle leadership infrastructure, Increased strategic management, Funding shifts and rising academic accountability and Enhanced research focus). One new theme, namely Increased/excessive workload, had emerged.

The data have shown that the reformation of tertiary education institutions in New Zealand that began with extensive reforms over a decade ago has led to the establishment of a corporate approach to tertiary education, as a result of the introduction of greater regulatory mechanisms, output based funding and managerial governance as described by Kim (2008).

It showed that there was now an established focus on senior leadership having business and financial credentials and experience. As such, senior leadership in the three institutions surveyed were well qualified and skilled in their financial and business roles together with knowledge of teaching and learning which should lead to improved management and direction for the institutions.

The growth of a cascading senior and middle management structure with accompanying devolution of a range of responsibilities may be an indication of a top-down leadership model that is market-driven and has 'transformed universities from collegial bodies to top-down managed ones' (Kim, 2008, p. 40).

Because of the reforms, institutions were more accountable to internal and external stakeholders. It was reported that the institutions met their Tertiary Education Commission

requirements and were financially viable. All institutions had a living strategic plan and efforts were made to include all levels of staff in the planning process.

Institutes of technology had increased their research outputs and level of academic programs (including in some cases to postgraduate level). Academic staff qualifications and skills had increased with staff being required to be research active and degree qualified.

As outlined above, comparing the data with the original study conducted at the height of the initial changes a decade ago has shown that in some cases this has led to improvements in the operation of the institutions. On the other hand, the process of corporatisation has also created some issues that need to be addressed if the intended benefits are to be realised and built upon.

In summary, the issues identified were around the process of consultation, time for strategic thinking, meeting performance accountability, research competition and a volatile environment. The combination of these challenges has put pressure on leaders who found that the increased demands of the corporate model had impacted negatively on their ability to achieve the desired outputs, their job satisfaction, and their work/life balance.

Many interviewees mentioned that getting the space and time to reflect and to think strategically was an issue. There were variations in how this was achieved and it is significant that there was a marked difference in the responses of the senior leaders compared to the academic/middle leaders interviewed. While all reported being under pressure from increasing demands to be accountable, to plan and to monitor performance senior leaders tended to have specific time for strategic thinking whereas middle leaders did not.

Finally, a senior leader from institution B summed up the benefits that have accrued from the changes noting that students are more work ready rather than just program qualified, there is a focus on financial sustainability, the institution is a leaner operation with a reduced dependency on state funding, and there has been a shift to non-based entrepreneurial work (BSL4).

## **Discussion**

The findings of the present study conducted in a specific New Zealand tertiary context have the potential to translate to other global higher education contexts. The sweeping changes set in motion by the Labour Government in New Zealand reflected the rise of neo-liberalism that swept across democratic societies world-wide at that time (Lynch, 2014). The term 'New Managerialism' has been applied to the mode of governance designed to realise the neoliberal project (Lynch, 2014). Key features of managerialism include:

[A] change of nomenclature from that of citizens, rights, welfare and solidarity to that of customers, service users and competition; a focus on outputs which is achieved through a measured monitoring of employee performance, and the encouragement of self-monitoring through the widespread use of performance indicators, league tables, target-setting and benchmarking. The decentralization of budgetary and personal authority to line managers combined with the retention of power and control at central level. (pp. 1-2)

That this model has led to the corporatisation of major public service providers is supported by Harding and Dreker (2000) writing about the corporatisation of public hospitals. They claim that this process places the emphasis on 'accountability ... generated on three fronts: direct hierarchical control ... funding/payment and regulatory accountability' (p. 15).

Corporatisation involves clearly specified objectives, a focus on economic and financial performance and monitoring of measurable performance indicators. In addition, the organisational structure tends to mimic that of private corporations with directors who are held

accountable for bringing the operation into conformance with what is seen as ‘best practice’ (Harding & Dreker, 2000).

The findings of the present study reaffirm these trends. Many of these trends have now become embedded in the tertiary institutions. Senior leaders commented for example, that there was now a focus on the student (stakeholder/consumer) from start to end of their academic career. They also saw as a benefit of the increased accountability, the focus on self-review that provided great support in developing and managing education performance indicators. These views may well have been a result of senior leaders who brought into the institution the values of the private sector.

An example of this was that all the senior leaders noted that they had to prepare for ‘future shocks’ in a turbulent tertiary education environment. The global recession had taken its toll and compelled the institutions to develop other revenue generating initiatives and activities, which in turn had necessitated a change in the skill set of the senior leadership team, middle leaders and academic staff. As pointed out by Elkin, Jackson and Inkson, (2008, p. 13), ‘Organisations are subject to all manner of external environmental factors that have impact on their structure, strategy, culture and political dynamics’.

Awareness of the need for ‘future-proofing’ indicates a possible benefit of the requirement for greater financial and business experience in the senior leadership roles. The senior leaders (CEOs) were effectively accepting the responsibilities and role of directors in a corporate structure and an environment where:

[A]longside widespread change, a degree of continuity, at least in some institutions, also needs to be recognised, the picture presented is one of a continual ‘institutional churn’, through which institutions regularly re-invent themselves in an attempt to better face their changing circumstances. (Tight, 2013, p. 11)

At the same time, there is clear evidence of an increased middle leadership structure with middle leaders having been delegated the task of implementing and managing their faculties, departments or sections whilst continuing to have responsibility for the delivery of the curriculum. This illustrates the decentralisation of authority to line managers identified as characteristic of New Managerialism (Lynch, 2014). This decentralisation has the advantage of freeing senior leaders to focus on strategic planning and future-proofing for their organisation.

Indeed, the study has shown that all the institutions had strategic plans as ‘living documents’ at all levels of the institutions, with claims that staff and council members are encouraged to participate in their development. It is not surprising that there was a conscious endeavour to ensure that strategic planning aligned with the mandatory requirements of the Tertiary Education Commission – necessary to qualify for funding.

This is a significant achievement, since the process of strategy is not a straightforward one. It is more than just having a strategic plan as it relies on the ability to think strategically and, therefore, on the balance between strategic thinking and strategic planning (O’Shannassy, 2003). In this regard, there were some reservations about the extent to which staff in general were engaged in the planning and implementation processes which may have been indicative of what is essentially a hierarchical organisational structure. This increased accountability and associated surveillance and direction of work has increased the power of senior managers within the organisations (Taylor, 1911, cited in Lynch, 2014).

A high level of internal and external accountability is a characteristic of New Managerialism and Corporatisation and was very evident in the three tertiary institutions. This was linked to the setting of measurable outputs and funding imperatives. In at least one institution, the senior manager referred to the need to develop alternative funding streams

outside of the traditional public funding. Across the institutions it was also observed that the introduction of the PBRF had created an unfair playing field for new researching institutions such as the three participating in the present study, in terms of having to compete with established universities as, 'mainstream universities have had decades to develop a well-resourced and well established research culture' (Johnston, Tiakiwai & Haeata, 2006, cited in Thrupp & Irwin, 2010, p.171).

Middle leaders in the three institutions also alluded to a tension between academic integrity and the measurable indicators of course completions upon which funding now rests. This tension is inherent in the new organisational structure and processes that emerged with the changes over the last 20 years.

The forms of accountability that have been institutionalized ... including the promotion and enhancement of user groups (parents and students) and other educational stakeholders, including business and corporate interests, has meant that educational 'consumers' exercise control and influence over professionals ... that was not true hitherto. (Lynch, 2014, p. 6)

At least one senior leader saw this change of focus as a positive outcome of the changed model of delivery when he commented that students were now more work ready rather than just program qualified. This indicates some distance between the perspective of the middle/academic leaders and the senior (more managerially focused) leadership.

Under the new model for tertiary institutions, a new code of values has come to underlie decisions. Market knowledge matters most and therefore determines the disciplines that have greatest value and the fields of research that will be funded (Lynch, 2014). The corporatisation of institutions has also led to academic staff being pulled into an increasingly over-worked management sector.

The lack of time and training spoken of by middle leaders meant that they are not able to fully engage in the strategic planning processes. They also found themselves questioning their own capabilities as they struggle to cope with their increasing workloads.

In terms of leadership, 'strategic management activity is most effective when it is accompanied by strategic thinking [and that] strategic thinking about the organisation's strategic position opens up new possibilities, new concepts and also a new language associated with strategic management' (Cardno, 2012, p.175-176).

Most middle leaders conducted their strategic thinking in their own time and outside of working hours. This together with the degree of accountability and consequent monitoring and reporting has led to frustration and in at least one instance, questioning of their own capabilities.

There was little doubt in the present study that middle leaders were increasingly stressed and found it impossible to establish a healthy work-life balance. Work-life balance is associated with real benefits to an organisation. 'Management support for employees['] work life balance fosters a good relationship between the work force and management which improve[s] effective communication in the organization' (Obiageli, Uzochukwu & Ngozi, 2015, p. 75).

## **Conclusion**

The current study has shown that the institutes of technology have become established along corporate management lines. The need for senior leaders to have financial management skills and qualifications and to have proven themselves in the private business sector has become embedded in the new model. An academic/middle leadership infrastructure has emerged and

become embedded, while there has been a significant growth in strategic planning. The strategic management has now to consider the shifts in funding for both academic programs and research. Academic accountability has become focused on measurable outcomes with a concomitant emphasis on self-review and internal and external accountability. The focus for research and for academic programs has shifted to what is market-driven outcomes. Most significantly, the middle leadership that has emerged has been faced with a cascade of responsibilities filtering down the organisational structure that has given rise to considerable stress for this group of employees.

It is possible to consider that there have been some positive effects from the changes and the gradual embedding of new managerialism in tertiary educational institutions. The senior leaders would point to programs that are more appropriate for the work force and more accountable for student success. They would also claim leaner institutions that are responsive to a rapidly changing environment and are more financially viable.

These gains however, have come at a cost. The identity of, and skills set for, academics have changed significantly and many find themselves increasingly challenged by the pull between management responsibilities and their academic responsibilities and careers. They find themselves caught in a spiral of competing demands on their time and with a lack of training and development for their new responsibilities. Unless these issues are adequately addressed, our tertiary education institutions will experience increasing disengagement of the academic staff in the strategic planning and management process, possibly the loss of highly regarded academic staff and likely a gradual slide to programs that become increasingly pragmatic at the expense of developing well rounded graduates who can contribute entrepreneurship and innovation to their chosen fields.

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