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In this thought-provoking essay, Dean Barbara J. Cargill of the Trinity College of The University of Melbourne in Victoria, Australia, calls for an entrepreneurial approach to the management and governance of academic programs. Dr. Cargill has studied the Australian academic scene to build a model of capabilities required by an entrepreneurial university. She offers specific suggestions for the development of an entrepreneurial style of business school governance. [*Krishna S. Dhir, kdhir@berry.edu*]

The Entrepreneurial Dean and Faculty—Some Australian Reflections

by Barbara J. Cargill, Trinity College,
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The Australian university landscape for business faculties is a fiercely competitive one. The national university system is considered by many to currently have just a few too many universities given the country's population, and the federal funding that underpins block operating grants for all universities falls well short of what it takes to run a quality institution. Once a fully government funded sector, Aussie universities are now all, to varying degrees, semi independent of that funding and certainly now generating substantial proportions of their own revenues—a public system that is moving rapidly towards being a substantially private one. All business schools are net generators of revenues for their institutions and all are looking for a competitive edge, a distinctive strategic angle or niche. When there are probably a few too many competitors in the patch, it isn't surprising that they are all competing vigorously for students, both domestic and international, and for sufficient resources to survive. In this scenario, the capability for some significant entrepreneurial activity is essential. I suspect that the scene for many U.S. business schools is really not very different.

I was dean of a business school for nearly 10 years, and am now a dean in another part of the system—this time not a business school, but running a quality commercial operation that prepares international students for Australian universities. After struggling for a few years to run a very entrepreneurial faculty in an institution that placed entrepreneurial activity, both inside and out of the university, very high on the list of strategic goals, I wondered why it was so very hard to do. Being an entrepreneurial university or part thereof was clearly much easier to say than to actually make happen! In fact the rhetoric was widely spoken and embraced, but the practice was woefully out of step. I was frustrated by my university's inability to actually be the entrepreneurs they kept saying they wanted to be. I was often personally frustrated by what I saw as some prime blockages to my own faculty's entrepreneurship.

I undertook some research a year or so ago with a view to building a model of the key organisational and managerial capabilities that are needed for the entrepreneurial university in Australia. I wanted to inform my own practice and to conceptualise a model that might help other heads, deans, and

senior university leaders and managers to identify and build the key capabilities and work out how to mobilise those dynamic capabilities. What I found to be needed here in Australia is probably also not very different from what is needed elsewhere.

My study started with Clark's (1998, 2003, 2004a, 2004b) framework of five elements of the entrepreneurial university, and its later refinements. I noted that Clark is an educational sociologist and that he didn't use the organisational and managerial terminology or frameworks that I did, and I concluded that his classic five elements lacked specificity and were not practice-oriented. I grafted in the main messages about entrepreneurial capability from other international higher education literature, and enriched it with many of the capability messages so readily available from the literature on corporate entrepreneurship. Once synthesised into a complex model, I then took the ideas out to practitioners in a qualitative, collaborative study where the model was to be enhanced through extensive interview and dialogue with the practitioners. The draft model was refined in light of the very rich input from the sample group, all either university presidents, senior university commercialisation managers or prominent national policy makers and higher education researchers and commentators. The second iteration of the model was a much simpler clustering of the key capabilities that the study participants agreed were essential to actually getting a university, or a faculty unit within it, to actually achieve that entrepreneurial style and get outcomes.

They identified five capability clusters: *Context*, *Strategy*, *People*, *Enabling Mechanisms* and *Culture and Internal Politics*. In the end, it became apparent in this study that the clusters did have a more or less cyclic nature, or more correctly a spiral one, since one hopes that a faculty doesn't simply go round and round without also moving onwards and upwards!

Let me very sketchily outline the sorts of capabilities in each cluster:

1. Context

- Strong capacity for reading environment deeply and widely.
- Well-developed links with professional associations, alumni, business groups, government, etc. to locate opportunities for partnership and new market openings.
- Extensive interaction with business & community.
- Support and incentive for external networking, especially by academic leaders/managers at all levels, top to bottom.

2. Strategy

- Clear strategic entrepreneurial intent & plans.
- Core/non-core clarity.
- A revenue generation focus, rather than a perpetual cost-cutting-to-wealth orientation.
- Recruitment and retention of people with outstanding intellectual property to boost market attractiveness.
- Extensive interaction with business & community (again).
- Promotion and development of strategic leaders, not rule-bound bureaucrats because 80+ percent of university faculty management is fairly routine, but up to 20 percent strategic. Leaders need to know when to move from the bureaucratic and military procedural style to let people and ideas run.

3. People

- A cohesive senior management team making fast decisions with good consultation and participation.
- Leaders displaying humility, emotional intelligence, valuing quality, ethical work and respecting collegiality without being submissive.
- Top-quality leadership and management development training and mentoring for all managers, whether deans, heads of departments, or academic leaders of clusters.
- Strong negotiation and interpersonal skills in all managers.

- Promote and develop very strategic leaders, not rule-bound managers.
- Middle and senior managers who are good at identifying and 'selling' opportunities. Deans and department heads are key enablers or blockers.

4. Enabling Mechanisms and Processes

- Devolved budgets.
- Excellent business planning and financial/cost analysis of academic operations.
- Programs culled, quick accreditation processes.
- Strong market intelligence.
- Specialists for technology transfer.
- Budgets for networking activities especially with external organisations.
- Flexible strategic human resources policies.
- Incentives to collaborate within the university.
- Excellent management development and entrepreneurship education for all.
- Organic/flexible structures.
- Some available seed capital (not necessarily huge).
- Performance targets.
- Spare infrastructure capacity.

5. Culture and Internal Politics

- Cohesive senior management team making fast decisions with appropriate consultation and participation.
- Devolution, delegation and empowerment to all levels with good academic participation.
- Learning organisation orientation and tolerance for initial errors.
- Empowerment of middle managers (i.e., deans/heads of departments).
- Regular review of academic units.
- Promotion of a positive entrepreneurial self-image.
- Elected academic representatives at all key management meetings/forums.
- Recognise and celebrate exemplar entrepreneurs.

- Encourage and reward networking, external and internal, across the university.
- Respect academic values and discuss potential commercial conflicts.

My invitation to you is to run your eye over the lists of capabilities and estimate to what extent your own faculty is well set up for truly entrepreneurial modes of operation. My study suggested that many institutions and parts of universities were well prepared on the main enabling mechanisms. Many had some great people and outstanding intellectual property from which to leverage enterprising activities, and to use in engaged ways with the various elements of the outside world who would find the ideas and knowledge valuable. What was often very undeveloped in my Australian study was the strategic commitment to university entrepreneurship, the strategic capacity to place entrepreneurship clearly in the strategic framework of the university or faculty and to the strategic management ability to then *implement*.

I observed that university entrepreneurship is much more likely to emerge when it emanates from, or is triggered by an opportunity in the outside environment, and so it pays to invest a great deal of effort in building that external engagement capability.

Australian universities have been strategically sluggish over many decades of stability. They now face a highly competitive, market-driven, resource-starved environment, and so strategic management skills that have not been much required are now in deep demand. Learning to read a complex and volatile environment for both threats and opportunities is a distinct organisational capability. In fact, there was some evidence in the study that some success with entrepreneurial efforts on the international education front has possibly lulled many Aussie universities into thinking they are strategically 'savvy.' But it could be argued that much of the success in attracting international students into Australia (where it is the fourth biggest 'export' business in the country) was simply due

to picking 'low-hanging fruit,' not really testing sophisticated strategy-making and management.

In fact, my finding was that most universities do more or less know how to be more entrepreneurial but many lack the key leadership to drive it. That is, they are low on managerial capability of an enabling, empowering kind, especially in middle/upper middle ranks—just about the place most deans sit!

Strategic entrepreneurship is the key and entrepreneurship is a means, not an end in itself. Clearly this requires leaders to, first, see the real ends and then second, enable the strategic thrust. There is little room for excessively controlling styles or for what one of the participants in my study called strategic muddle when he said: "Muddled strategic thinking equals mediocre outcomes." Deans have to be clear about what the ends might be, the purposes, the reasons why one would want an entrepreneurial faculty. In my mind, it is of course about the money. It must be about that, but *more* than that. It is also about the pursuit of reputation, image, being valued by the community and 'loved' enough to be supported, getting the research funds and ready partnerships and value-adding to society at large. If we get really clear about what we want to achieve and why, then perhaps that capability spiral can be activated and fully functioning. Deans are in the critical 'driving seat' here. You can either be the primary enabler, or the primary blocker.

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Abraham Lincoln, sponsored the creation of universities with remarkably practical missions including required programs in agriculture and engineering ("mechanic arts"). This was at a time when Europe often sent its best and brightest students into programs of study in Latin and Greek! The American land grant colleges later added other professional programs including medicine, law and business. European universities were generally much slower to adopt professional schools, perhaps considering the professions to be beneath the dignity of true aristocrats. For example, Oxford University (U.K.) did not establish a business school until 1996! The U.S. also sent a much larger fraction of the population to college than was common in Europe. Rather than educating aristocrats, American universities were pushed by government to become engines of social mobility, meritocracy and economic development.

The report of the Commission may be seen as a continuation of a long process of government efforts to cause higher education to serve democratic and economic goals. The recommendations of the Commission are important and are likely to influence relations between colleges and government for some time. The Commission report should be read by all in academia. ■

DSI members are invited to suggest books that should be reviewed in this column and reviewers to review them. Responses, suggestions or letters to the Feature Editor may be sent to: Peter T. Ittig, Feature Editor, Peter.Ittig@umb.edu.