The Università della Svizzera italiana. New Public Management 'à la Suisse'

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1. Introduction

Since the 1980s, a wave of reforms spread in the European public sector under the broad label known as New Public Management (NPM; e.g., Christensen and Laegreid 2011). In its essence, NPM aimed at renewing the management of public-sector entities such as public utilities, hospitals and educational institutions by borrowing some elements from corporate management. These included the idea of transforming public entities into organizational actors, with distinct boundaries from the State, a clear identity and hierarchical command (Brunsson and Sahlin-Andersson 2000); the devolution of the State by granting more autonomy to public organizations and delegating State tasks to largely autonomous agencies (Pollitt, Talbot, Caulfield and Smullen 2004); and, finally, the replacement of traditional bureaucratic control with steering at distance through economic incentives, such as funding models based on results and performance (Brignall and Modell 2000).

The higher education sector has been strongly affected by these policy changes (Ferlie, Musselin and Andresani 2008). Traditional universities were perceived as decentralized organizations with little capacity for strategic action and with academics being more connected to their discipline than committed to the university (Musselin 2007). At the same time, in many countries including Switzerland, universities were tightly controlled by the State in their administrative functioning (Braun and Merrien 1999): professors had the status of public servants with the corresponding privileges, but also little flexibility in employment conditions; the university budget was included in the State budget and had very limited flexibility; the universities did not have a central administration, as these tasks were managed by the public administration. It was generally felt that universities were not very responsive to the demands of students and of society, while professors enjoyed almost unlimited freedom in how to conduct education and research.

Reforms under the NPM 'umbrella' included at least three main dimensions, i.e. granting more autonomy to the university (Enders, de Boer and Weyer 2013), turning universities into corporate actors (Whitley 2008), and introducing performance-based funding in education (Boer, Jongbloed, Benneworth, et al 2015) and research (Hicks 2012). This process was not without conflict and contestation, as academics tended to resist to what they considered to be an interference in their professional competences from managers that did not have the fine-grained knowledge of scientific disciplines required to steer university affairs (de Boer, Enders and Leisyte 2007). As a matter of fact, managerialism did not replace professional self-governance, but the two were integrated into hybrid forms of governance characterized by a complex division of power between professionals and managers and by a mix of top-down decision-making and remaining areas of collegiality (Lepori 2016; Braun, Benninghoff, Ramuz and Gorga 2015). Moreover, large differences between countries and institutions have been observed in the extent of managerialisation (Seeber, Lepori, Montauti, *et al.* 2014).

Switzerland was no exception to these trends. NPM ideas started to disseminate in the 1990s and led to a policy debate at federal and cantonal level for reforming the system, setting priorities and giving more autonomy to the universities (Perellon and Leresche 1999). In the late 1990s, the federal university act was reformed by introducing performance-based funding to cantonal universities, based on the number of students and on the acquired third-party funds; the law on the federal institutes of technology was also revised in order to provide more management autonomy. As of cantonal universities, most university acts were revised granting more autonomy, reforming internal structures and moving from line-item budgeting to a global budget

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managed by the university itself. A core change in all Swiss universities has been the reinforcement of the central structure, with rectors becoming full-time jobs, the creation of an executive board and of a central administration managing finances, staff and facilities. Swiss universities also started to develop priorities and strategic plans, albeit with large differences in their content and impact on actual decisions (Fumasoli and Lepori 2011).

While the process was more gradual than in countries such as the UK, nevertheless it was not without conflicts, which concerned particularly strategic decisions and the role of the rectors or presidents. On the one hand, some cantons were not always willing to grant strategic autonomy to their university and intervened directly on the university management, such as the Canton of Neuchâtel dismissing the university rector in 2007 because of conflicts about the institute of microelectronics. On the other hand, managerial reforms encountered the resistance of professors, such as in the case of ETH Zurich, where, in 2006 the president was forced to leave in front of a revolt of the academic corps.

2. A new university in the Public Management age

While existing universities had to go through a long-standing process of reforms, which took almost two decades, such as in the case of the University of Basel (König 2010), the Università della Svizzera italiana (USI) was founded in 1996, i.e. in a period where NPM reforms were rapidly spreading and reforms at the federal and cantonal level were taking place. The founders of USI seized therefore the opportunity to shape the organization of the university and its relationships with the state from scratch by adopting managerial principles.

The cantonal university act of the 3rd of October 1995 identifies the University as an autonomous public entity with its own legal personality, therefore setting the principle that USI is distinct from the public administration. The core of the act is to define the (remaining) cantonal competences and the university financing mode. The Canton nominates the members of the University Council and decides on the establishment of new Faculties and on the affiliation of research institutes, but has no competences on the university internal structure and regulations. Moreover, the Canton finances the university through a performance contract (with a base funding per students at the same level as the one foreseen by the intercantonal agreements) and monitors compliance and achievement of the goals.

At the same time, the act guarantees the freedom of education and, the right of academics and students to participate in internal decision-making, as well the scientific and organizational autonomy of the faculties. In other words, the act sets clear limits to internal managerialisation and requires USI internal governance to respect academic autonomy and collegial participation.

These two principles, i.e. a clear distinction and wide management autonomy from the state on the one hand and the importance of academic autonomy on the other hand, were to shape the development of the University in its first two decades.

3. Centralisation and academic autonomy in practice

Within this framework, USI was confronted with the task of creating its own organizational structure, but also of setting up curricula, nominating professor and developing research activities from scratch.

Autonomy proved to be key to this process, as it allowed finding quickly solutions to emerging issues and deciding on a case-by-case basis, then establishing rules based on the experiences made. This was for example the case for the nomination of professors: most of the early recruitments were ad personam, as this was the only way to find quickly people for teaching in the new curricula. The first batch of recruitments therefore focused on educational needs and resorted largely to academics who already held a professor position in other universities (largely from Italy), as well as people from the region who were willing to return and to invest in the new university. After this first phase, USI adopted more stringent procedures for recruitment through international calls, focusing on recruitment of young and promising researchers at the assistant professors level.

Rather than to design from the beginning a complex regulatory structure, USI maintained a very lean regulation and administrative structure, with general rules alongside a flexible implementation in individual cases. A similar approach was adopted for management, which was largely based on personnel networks and informal contacts, rather than on the establishment of organizational structures and procedures. This was enabled by the stability of individuals occupying key roles: from 1996 to 2019, the university had only three rectors/presidents and three general secretaries, while high continuity characterized also membership in the University Council and key positions within faculties.

The emerging governance mode can therefore be characterized by the coexistence of extensive academic autonomy, with the faculties being largely in charge

of the conduct of education and research, and tight financial management from the center, since the university budget was fully centralized (Bleiklie, Enders and Lepori 2015). Central control of financial resources allowed the university presidents to launch quickly new strategic initiatives without going through complex planning to seize opportunities generated by the environment, such in the case of the rapid development of computational science, starting around 2010.

This mode of governance was conductive to the growth of a new university, which had to find its place in the Swiss academic environment and, given limitations in resources, had to find niches were to position against the competition of larger and more reputed institutions. It was reflected in a rapid growth in the university size, in terms of budget, number of students and research activities.

4. Autonomy in question and a growing institutional complexity

While this model had been very successful for almost two decades, some signs of change started to emerge after 2010, which eventually led to a wave of internal governance reforms.

A first issue were emerging tensions with the Canton Ticino. Both in Europe and in Switzerland, the big NPM wave was over and requests for re-regulation started to emerge. Moreover, financial constraints at the cantonal level jeopardized the performance-based funding arrangements, as the canton set a ceiling to its annual contribution, independent of the achieved results. In this respect, USI was faced with two forms of critiques: on the one hand, the University, with its strong openness and international orientation – in 2016 67,5% of the students and almost 2/3 of the professors were from abroad -, was felt as too far away from the regional reality and needs. On the other hand, left-wing parties criticized the University for being privately managed and not respecting basic rules of public administration for example in setting salaries and working conditions for administrative staff.

Eventually, the university was successful in defending its autonomy, but had to compromise on some minor issues: a parliamentary commission of control was created with the right of asking more information and reports from the university, while a collective contract had to be established for administrative staff setting some common rules and safeguards. The principle of merit-based personnel management was, however, maintained.

A second, more important issue was related to internal governance. The style of informal, personnel-based

governance, which characterized the first phase of USI, increasingly met its limitations, given the growth of the University. In 1996, USI comprised three faculties, all in social sciences and humanities, while the faculty of informatics was created in 2004 and the faculty of biomedical sciences in 2016; moreover, in 2011 and in 2016 USI affiliated two large research institutes in biomedical and oncological research, which maintained however their administrative autonomy, therefore adding to the institutional complexity. The original governance structure around a part-time university council, a president and a secretary general was not any more at par with the amount and diversity of decisions needed, with the result of progressively weakening the central governance.

Third, from 2015, USI faced new challenges in terms of positioning, since both the number of students and the university budget stopped to grow. In this context, the approach of launching experiments to test new potential niches was not any more sustainable, both in research and in education, where the proliferation of master studies increased the workload of professors. What the new context called for was the ability for strategic planning by setting priorities and identifying areas where to invest and areas where to reduce the effort (in order to free financial means). Yet, as well-known in other universities (Fumasoli and Lepori 2011), setting priorities in distributed organizations such as universities (Braun, Benninghoff, Ramuz and Gorga 2015) requires the set-up of a collective process of planning, but also efficient monitoring of activities, results and finances, which was largely absent a USI.

5. New reforms for a growing institution

The reforms that have been implemented since 2016 aim at addressing these challenges and particularly the last two which impact directly on how the university is governed and administered. The overall direction was to professionalize both academic and administrative management beyond a model based only on personal relationships and soft negotiations (which will remain nevertheless important to soften processes). In that respect, an important advantage was that regulatory reforms could be managed directly within the university and by revisions of the university statutes decided by the University Council; since the cantonal minister of education is member of the University Council, cantonal authorities were informed and could eventually object, but reforms were not subject to a lengthy political bargaining.

The overall direction of the reforms was to strengthen the university governance through a more distributed system of responsibilities, balancing the involvement of the academic corps with the need of central steer-

ing. As a first step, the office of the president of the University Council was separated from the rector's position to guarantee a clearer distinction between the UC's control function on the one hand and academic management on the other hand; in the same vein, an academic senate was created, composed by representatives of professors, administrative corps and students, which received important duties, including the final decision on the nomination of professors.

As a second step, a professional rectorate was established as the body where most operational decisions will be discussed; a key function of the rectorate was also to better connect strategic decisions on the one hand and the functioning of the administrative structure on the other hand. The composition of the rectorate unites academic members and administrative members in order to seek a suitable balance within the university between academic and administrative management.

A third step has been the reorganization of the internal structure as a matrix with faculties, in charge of education, and institutes, in charge of the conduct of research, very much like other universities such as EPFL. This followed the recognition that, at USI, research tended to be interdisciplinary in character and to require institutional structures that cut across faculties, as in the case of the law institute across all faculties. This also allowed providing a specific place in USI's organizational structure for the affiliated institutes, which are strongly focused on research. The establishment of formal contracts between the rectorate and the institutes allows a more fine-grained steering of research.

Finally, as a fourth step, USI's central administration has been reinforced with specific competencies in areas such as fund-raising, technology transfer and institutional evaluation. More generally, the very flat hierarchy inherited from the past is being progressively replaced by a more structured hierarchy with clear responsibilities for each administrative domain at the strategic and operational level. Such reforms will allow the administration to produce the information needed for strategic planning, but also to be more pro-active in implementing the rectorate's decisions.

6. Lessons learned and the way forward

In their essence, the reforms undertaken in the most recent years are fully coherent with the original inspiration, which drew the establishment of USI as an autonomous professional organization in the late 1990s. The clear separation from the State and a lean and flexible administrative structure remain guiding principles of the University. The reforms also keep fundamentally the small-world character of the university, in which personal relationships and trust smooth decision-making processes. This characteristic is fundamental for a small university with limited resources to compete at a national and international level.

At the same time, the reforms reflect the current maturity of USI as a full university, covering a broad spectrum of scientific domains and well-established both in education and research, with all the ensuing complexity and needs for careful balancing between academic and managerial governance. In that respect, the solutions adopted at USI are also common to other universities and enact what we could call a 'moderate' implementation of managerialism. An implementation which recognizes that universities have to remain professional organizations in which academics are in charge of substantive decisions about education and research, but the professional core needs to be complemented with management structures and processes, which ensure the working of the organization and the respect of financial constraints – what has been labeled as 'soft bureaucracies' (Courpasson 2000). Keeping this balance and promoting the mutual understanding between administrators on the one hand, professionals on the other hand, will represent a core task for the future. ∎

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