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## The University as a Business?

Paul Kellermann

### 1 Abstract

Social division of labour as a still ongoing process signifies a greater specialisation of work and simultaneously increasing productivity, but also more mutual dependencies of people and areas. An intermediate means was required: money. Business orientation increasingly influenced activities, even at the university. An investigation is recommended whether the university contributes more to life quality as a business or as an institution of knowledge and science.

### 2 Clarification of the key concepts: university and business

With the term university we traditionally associate an institution where thinking, research and teaching about nature and society take place. Although institutions such as academies, philosophical schools, libraries and the like existed in ancient times, we use the term mainly for the institution that emerged with the foundation of the University of Bologna in the year 1088. The main characteristics of that institution were on the one hand co-operation and community of teachers and students (*universitas magistrorum et scholarium*) regarding work and life at a specific place, called campus, and on the other hand to deal with all aspects and developments of science in general (*universitas litterarum*). The main purpose was to teach the competences required for the rise of civil society in the fields of law, medicine and theology on a philosophical basis. The success of this then new institution was a relatively fast dissemination across Europe, later across the globe, and a refinement and division of sciences. In fact, the early university was a product and an incubator of the civil society like commercial trade and business.

Business is the key word of a relatively clear language sub-system. For over 2000 years an analytical distinction has existed between use value and exchange value. It was the old Greek philosopher Aristotle who illustrated this difference by applying two perspectives to a single product such as a pair of shoes: Shoes can be seen as means to protect the feet and as a commodity. This distinction was further developed by the so-called father of modern economic theory, Adam

Smith, as well as by the most comprehensive philosopher of the capitalist society, Karl Marx.

The world of business is constituted by specific topics, the most important being: market, competition, commodification, profit and money. University is the cover word for the interdependent concepts of science, knowledge, intrinsic motivation, stimulating environments and scientific community. The world of the university and the business world each had special functions in the frame of the rapidly increasing social division of labour. They have special terminologies based on initially clearly particular paradigms. Whereas these two terminologies point at obviously different aims – money-making via exchange values versus cognitive development as a use value – a set of seemingly common words underpins the systems of specialised words and expressions.

### 3 Similarities and differences

Entrepreneurship, productivity, freedom and progress are the four seemingly common terms of both business and university. But in fact they have different meanings.

In the world of business entrepreneurship means to create business, productivity stands for making money, freedom is focussed on trade and markets, progress is understood as the ongoing process of commodification and economic growth. In the university world entrepreneurship is the venture of innovative ideas driven by curiosity, doubt and critique; productivity means the enlargement of knowledge by research and the dissemination of findings; freedom is understood as openness towards new perspectives, hypotheses and theories; finally, progress is the word for the development of science and knowledge. The common basis for the differentiation of both business and university was and is the acceleration of the division of labour, i.e. specialisation of business sectors and companies respectively of sciences and fields of knowledge.

Methods and outcomes are different. Whereas the business world counts its output by surpluses and deficits in statistics of money, the university system sees its results in scientific findings, publications and reputation. Currently however, we can observe a strong development to dominate the university by business through three essential tendencies that characterise the prevailing type of contemporary society: First, to convert ends into means, secondly, to turn as many things as possible into commodities and thirdly, to make everything measurable. Multidimensional qualities come to be quantities of only a few dimensions. Life itself is becoming a means, a growing part of it is looked at as a commodity and every activity should be counted, at least for statistical reasons.

Some of the agents pushing the tendencies forward were e.g. Benjamin Franklin with his doctrine “time is money”, the Noble Laureate Niels Bohr, with his saying “Nothing exists until it is measured” (OECD 2004/05: 3) and the Organisation for Economic Co-operation and Development (OECD). It was this organisation which, in the year 1961, initiated the inversion of education. Until that year education meant mainly the development of a human to an autonomously acting personality as an end. The OECD coined the slogan “Education is the best economic investment” (E. Gehmacher 1966) and asserted: “For every Euro invested in attaining high-skilled qualifications, tax payers get even more money back through economic growth.” (OECD 2006: 7) That new definition of education found and finds broad acceptance with serious consequences. First, the so-called expansion of education; in fact that was and is the economic-political interest in more schools, more pupils and students, more certificates, finally in more highly qualified human capital. The intrinsic motivation for learning became an organised imperative, called “life-long learning”. An interest or an essential human need, learning, became a constraint. A constraint for what? For an instrument of producing commodities that could be measured with and sold for money.

### 4 Two types of universities: mind versus business

In order to describe and to understand a phenomenon it is efficient to look for at least two different concepts. In our case this means to compare the essential attributes of the type “university as a business” and the type “university of the mind”. Business is the activity of buying and selling products and services. Mind has the meanings of thinking, comprehensive understanding, memory, attention, awareness and similar cognitive activities. Thus in the following we can talk of the alternative types business university and mind university.

The shift from the traditional humanistic goals of higher education to its later economic instrumentality in contemporary Europe can be clarified by comparing two relevant documents (P. Kellermann 2007a: 147 and 2009: 54ff.). The first of these is the “Joint Declaration of Harmonisation of the Architecture of the European Higher Education System”, given “by the four ministers in charge of France, Germany, Italy and the United Kingdom” at the Sorbonne, Paris, May 25, 1998. This document stresses “We must strengthen and build upon the intellectual, cultural, social and technical dimensions of our continent. To a large extent, these have been shaped by its universities, which continue to play a pivotal role for their development.” The basic statement of this document is “that Europe is not only that of the Euro, of the banks and the economy: It must be a

Europe of knowledge as well" (Sorbonne Declaration 1998: 1). In contrast, a paper "Trends in Learning Structures in Higher Education" explicitly entitled "Project Report prepared for the Bologna Conference on 18-19 June 1999", gives a one-sided interpretation of the Sorbonne Declaration. The paper's intent was to inform the ministers and representatives of no less than 31 European countries: "Hence the Sorbonne Declaration is not only about academic recognition or comparability per se: The raison d'être of the debate is intimately linked to the emergence of an ever more European and indeed international labour market." (G. Haug 1999) Introducing the market dimension, the paper asserts that the Sorbonne Declaration "is a plea for Europe to take up its full role in the world markets of knowledge and education" (ibid. 29). Here the interpretation has clearly shifted from "strengthening the intellectual, cultural, social and technical dimensions of Europe, its students and more generally of its citizens" to "markets" of labour, knowledge and education. As a priority lever is defined: "Giving 'education & training 2010' its rightful place in the implementation of the Lisbon Strategy." (ibid. 24) The Lisbon Strategy means the intention "to become the most competitive and dynamic knowledge-based economy of the world" (Barcelona European Council: 1). – The idea to support the interested citizen of an emerging learning society thus becoming a mere tool for the implementation of a new economic-political strategy.

What the mind university means is described by Austrian law: "The mission of the universities is to serve academic research and teaching and thereby to contribute to the personal development of the individual, and to the welfare of society and the environment. Universities are public education institutions which, in their research and research based teaching, are directed towards the advancement of knowledge and new approaches to the arts. Through the common efforts of teachers and students, working in enlightened scholarly communities, they assist individuals in their striving for the education and autonomy conferred by scholarship." (Universities Act 2002: 7)

The main purposes of the mind university are to undertake scientific research and to develop minds and cognition of young people as members of the institution. In this comprehensive university acquired competences of graduates consist in self-guided activities on the basis of professional knowledge and skills.

The main purpose of the business university is to make money by preparing young people as its customers to be employable on the so called labour market. Graduates of the business university should be flexible enough for any kind of adaptation to the qualifications required by companies. In the world of business the university operates like a commercial enterprise, the teachers as human capital are the means of production, the students are subject matters of training, out-

put in the form of graduates and research findings are commodities for the different markets.

## 5 Division of labour and commodification

To look at the university as a business from a social-scientific point of view means to investigate both the world of the university and the business world, to see whether or not they fit to each other. Originally there was a big difference between university and business on the basis of the emerging division of labour over the course of centuries. During this process many other areas came into being, every one with a special purpose: trade in order to exchange products, hospitals to heal ill people, courts to solve conflicts, companies to produce and distribute goods, universities to specify and to disseminate knowledge. Each of these areas and many others were aimed at achieving particular success in their special fields of activities. The social division of labour became more and more specific, accompanied by an increase of experiences and success. But this ongoing process simultaneously caused a complexity of life for the individuals, becoming more and more difficult to cope with. The main reason was and is the interdependency of the ongoing division of labour on the one hand and on the other, the increasing dependency of every single person on the exchange of specialised products and services in order to meet the essential needs of life. The means of the required exchange became a generalised medium that we call money. To the same degree that it became necessary to buy products as commodities on enlarging and expanding markets, money received more and more social importance as the dominant orientation of action. It even became a belief system (P. Kellermann 2007b: 115-125). "Moneyism" increasingly converts everything, even including human beings, into commodities. Commodities require markets for selling and buying. In order to be able to sell and to buy something, it must be produced. The purpose of production is no longer primarily to meet the diversity of human needs but to make money. The function of a hospital is no longer to heal illnesses, but the illnesses of people allow the hospital to become a business; the university is no longer an institution for young people to study in order to broaden and deepen their knowledge or for qualified people to undertake research or for teachers to educate all kinds of interested people. Instead studying, researching and teaching at the university are becoming instruments for making money. This reduction of purposes and functions of the university has consequences for the people involved and for the results as well. Initially intrinsically motivated persons are now focused on obtaining a qualification or even on getting only a certification, a label, in order to earn money at a

later stage. „Flow“ during intrinsically interested studying and researching is disappearing (M. Csikszentmihalyi 1993: 207-221; B. S. Frey 1997: 427-439). The university is becoming an object for controlling money input and money output. Knowledge and the institution no longer have special purposes in the development and evolution of science; science itself has already become an instrument for making money. The nomination of modern society as a knowledge society is, in fact, a misnomer, because more or less everything is oriented towards money. Thus we should honestly speak of a money society.

Consequently, the mind and the business universities as well as the mission statement of the Austrian University Law and the Lisbon respectively Bologna Strategy are not compatible (K. P. Liessmann 2006: 104). The simultaneous implementation produced a contradictory situation at the universities, mainly in favour of a business orientation: Universities are converting studies and education as ends into means, they treat the students as customers and graduates as commodities for the academic labour market and they count their success of instruction and research in numbers, finally in money.

To give only very few illustrations:

- In the previously mentioned Lisbon strategy of the European Union the following view dominates: „The University is no longer a quiet place to teach and do scholarly work at a measured pace and contemplate the universe as in centuries past. It is a big, complex, demanding, competitive business ...“ (OECD 2004: 3)
- The Bologna process defines making the students employable as the central task of the university. Employability is the general advice of higher education policy in Europe. Politicians, civil servants in charge of science and universities accept this advice as well as presidents and rectors of the universities throughout Europe. Employability is the main aim of studies despite the facts that in the past many graduates became self-employed professionals and that temporarily many university leavers have no real chance to find adequate employment because of outsourcing policies of services and production, research and development by the companies at the risk of the so-called new self-employees.
- In the contract between an Austrian university and the federal government, aims and performance targets are defined. In the case of the central scientific function to undertake research it is not agreed to increase knowledge, instead the contract defined research success as an increase in the amount of money that comes from third parties outside the university (Universität Klagenfurt 2007: 16).

Knowledge seems to be no longer a precondition for the development of personalities and communities but an instrument to develop enterprises and markets. Knowledge became a good or service that receives its values through prices. This introduced a peculiar distance between knowledge and the person that knows (J. Mittelstraß 2003: 4). The university has to deliver knowledge twice: as a means of production as well as qualified workforce in order to contribute to successful business in global competition. Finally knowledge became a very important commodity:

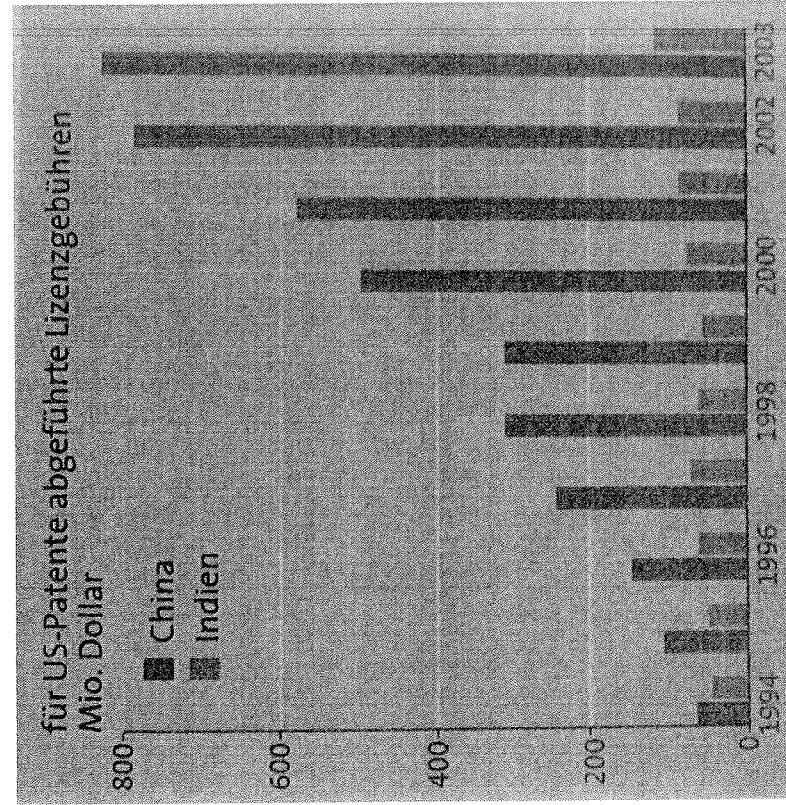


Figure 1:  
“China purchases more knowledge”

Source: Le Monde diplomatique 2006: 107

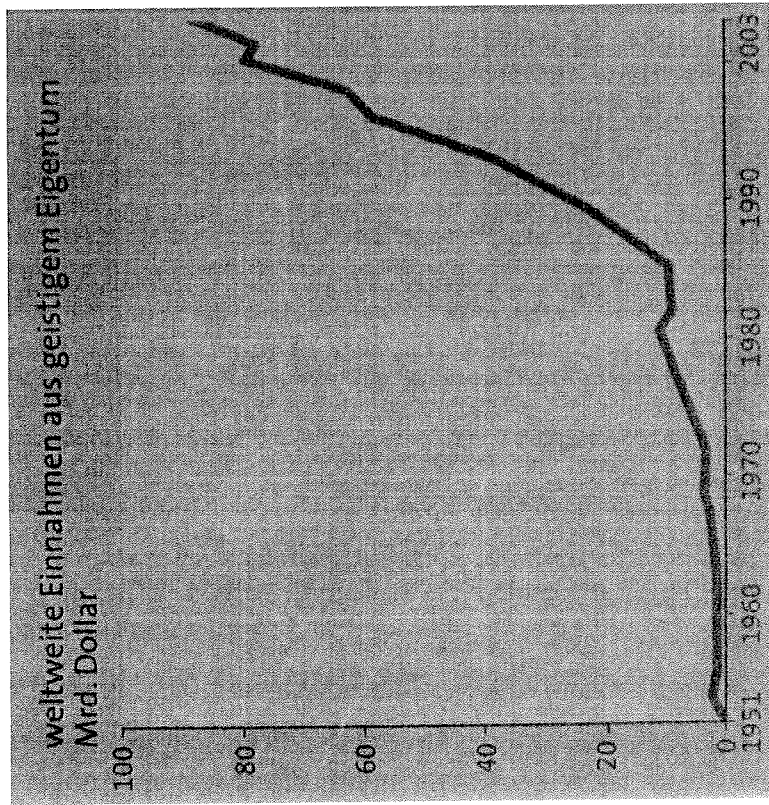


Figure 2:  
“Knowledge turns into money”

Source: Le Monde diplomatique 2006: 107

Knowledge, science and the university are no longer use values of the quality of living but they are becoming exchange values of business.

## 6 The answer to the question posed by the heading

There is no doubt: In a money society the university also needs money like every citizen. But it definitely makes a difference if the primary purpose of an organi-

sation is to make money profit as in the case of commercial business or if it is to make profit in knowledge as the authentic university.

The question remaining is whether business orientation or the original university conception contributes more to the ability to cope with enlarging complex global problems. These are e.g. ecological disasters, conflicts concerning resources, cultural confrontations, the creation of humans through gene manipulation, through interfacing of electronic devices and physiological processes.

It can be asserted, that most probably we as mankind can best survive by a conscious and intentional endeavour to once more separate the worlds of business and university by accepting the social division of labour. The reasons are: An authentic university has peculiar functions in the frame of social division of labour, it has a multiversity of outcomes for individuals as well as for societies. The university is able to provide work and living conditions that contribute directly to the desired quality of life. Business orientation may indirectly lead to a future better living. But in fact it should be seen that the one-dimensional focus on money does not allow a revival of multi-dimensionality in the sense of *universitas* as a community of equal rights and different sciences. It depends on how society is predominantly seen as a cultural diversity with high complexity of beliefs, interests, languages, physical and intellectual freedom – in short: on the basis of enlightenment; alternatively, it could be seen from a perspective that looks at a kind of mechanism that reduces complexity of human life to only a few dimensions similar to the transformation of every qualitative entity to an object of measurement in numbers and finally in money.

The heading question – University as a Business? – hopefully provokes a critical consideration of the real sense of the social division of labour followed by a decisive effort of organising the central institution of research, studying and teaching to lead to a new university of the mind.

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# Managing the University of Botswana

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## 1 Abstract

This conceptual paper explores the feasibility of managing some aspects of the University of Botswana along business lines. The traditional role of a university shall serve as a starting point before proceeding to how a university can operate like a private business. Universities around the globe are applying modern management techniques in order to attract and retain students and remain competitive. Fierce competition and reduced public funding has prompted institutes of higher learning around the globe to be managed like business entities. The University of Botswana is facing similar challenges of reduced government funding and tough competition from local and international training institutions for quality programs, students and services. This paper explores the possibility of the University of Botswana to operate some of its activities on commercial lines in order to survive in the emerging competitive world. Indications are that for the University of Botswana to be competitive it has to adopt a radical approach of focusing on its core business of teaching and research, being pro-active and responding promptly to the needs of students, academic staff and external customers. In addition the University of Botswana can transform itself by adopting a business management approach to some of its centres of excellence.

## 2 Introduction

The University of Botswana has undergone various forms of transformation, including the introduction of modern management concepts of strategic planning and performance management systems (D. Mpabanga 2007). As suggested by various writers, reforms in higher education follow global trends where there is a convergence in educational policies towards 'market form' in which institutes of higher education are operated and managed as businesses where competitiveness is the key determinant factor (R. Donnelly 2004: 351-359). Institutions of higher learning are restructuring and adopting new management techniques including strategic planning, new managerialism, performance indicators, targets, monitoring and measurement of performance as well as new public management (R. Donnelly 2004: 351-359; R. Tabulawa 2006; D. Mpabanga 2007; C. Sharma, 2007).