

Restructuring the Virginia state system of higher education

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This article presents the results of a productive systems analysis of the recent drive to restructure the Virginia state system of higher education. It examines the system's original institutional structure, the environmental forces that led to the strategic decision to restructure the system, the details of the state's restructuring programme, the nature of the institutional changes that have occurred as a consequence of restructuring and the implications of this process for individual colleges/universities within the system. Overall, the study reveals that restructuring appears to be moving Virginia's institutions of higher education away from more *cooperative* work systems and toward systems that increasingly exhibit the institutional features of more *destructive* ones. The authors conclude that continuing movement in this direction in the long term will decrease the traditional importance of faculty in these systems, thereby increasing their vulnerability to outsourcing and heightened employment insecurity.

Introduction

Until relatively recently, productive systems research concerning firms' strategic responses to competitive pressures and their consequences has focused almost exclusively on the manufacturing sector. Currently, however, service sector systems have been subject to their own unique pressures. The strategic responses chosen to meet these pressures have had important consequences for institutional structures, especially the technical and social relations of production which include work organisation and employee relations, and organisational performance. The productive system in higher education in Virginia is one where those in positions of authority at the level of the state have begun to adopt strategic responses similar to those that have dominated competitive strategy in the manufacturing sector.

Between 1981 and 1991, seven of Virginia's 15 public senior colleges and universities were among the 100 best buys in American higher education. Several were among the premier public and private institutions in the country (State Council of Higher Education in Virginia [SHEV], 1991). In the face of heightened competitive pressures and fiscal crises at both the federal and state levels beginning in the late 1980s, however, the system's efficiency and its overall performance came under increasing public scrutiny. In 1994, as a consequence of these pressures and the changing priorities of a new conservative state administration, the Virginia legislature mandated that all of its institutions of higher education be restructured to improve their efficiency in the provision of

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educational services, i.e., to provide more students with a higher quality of education at a lower cost to taxpayers.

This article presents the results of a detailed productive systems analysis of the restructuring that has occurred in Virginia's system of higher education. It examines: (1) the Virginia system's original institutional structure; (2) those environmental forces that led to the strategic decision to restructure the system, in particular the state's fiscal crises and changing budgetary priorities; (3) the details of the mandated restructuring programme, including expected benefits for all stakeholders (public officials, legislators, university administrators, faculty, staff, students, state taxpayers and local community members); (4) the nature of the institutional changes that restructuring has wrought in the system; and (5) the implications for the future structure of the college/university within the restructured educational system. Information for the study primarily has come from state reports and participant observation.¹

The study reveals that the strongest force underlying restructuring in the Virginia system is an almost exclusive concern with short-term cost containment. As a result, officials have actively introduced institutional changes that are slowly but surely moving the system away from a structure that encourages and enhances *cooperation* to one that increasingly exhibits the features of a relatively *destructive* one. In particular, a more hierarchical organisation of work, based on a growing division of labour in the provision of educational services that is similar to the structure that characterised traditional mass manufacturing, along with human resource policies that rely on more adversarial approaches to employee relations have begun to appear, despite rhetoric about 'shared governance', employee involvement and cooperation. For example, in the name of cost reduction, administrators increasingly have opted for a 'low wage path' to improved performance by replacing full-time faculty with a contingent work force of adjunct instructors.

Most important, administrators, as opposed to faculty who historically have been the backbone of the educational system, now have almost complete control over the character of important changes in the institutional structure of the state's colleges and universities, as well as over how and when these changes will be implemented. Moreover, this control has given and continues to give them comparable power over the distribution of the costs and benefits of restructuring across the different stakeholder groups in the system. Thus, they have been able to minimise the costs of these changes to themselves and to other stakeholders whose interests they choose to protect at the expense of less powerful stakeholders, usually faculty and staff.

The traditional productive system in higher education

An examination of the significance of the institutional changes that have occurred in the Virginia system must begin with an understanding of the system's original institutional structure. The vehicle of an educational village composed of many cottage industries—departments where multi-skilled faculty artisans produce the wares, educational services—effectively describes the traditional delivery of educational services. Faculty teach, pursue research interests, write, advise and consult with students, and serve the institution in internal governance and the general public through community service.

¹ The authors both actively participated in committee work concerning the restructuring of their home institution during the 1994–95 and 1995–96 academic years. Specifically, they were members of a President's Advisory Committee on Restructuring. Doug Woolley, as a member of that committee, travelled with senior administrators to Richmond to meet with SCHEV concerning the university's restructuring plan.

Though all faculty artisans have these general skills in common, their disciplinary backgrounds often make them as different as blacksmiths and bakers. Further, within their disciplines, each teacher, as a craftsperson, has his/her own unique skills.

Within the educational village, student shoppers are free to move from cottage to cottage to purchase the available wares. At each cottage they also have a choice of faculty artisans from whom they may make purchases; i.e., they acquire different discipline-specific skills from different faculty. The diversity of the educational wares available enhances the richness of the educational experience, and all stakeholders in the village recognise its inherent value. No two student shoppers purchase exactly the same market basket of general and discipline-specific skills. Student shopping, however, is subject to certain constraints. One must purchase a certain number of educational wares in specified combinations. And, as evidence of their consumption, students must demonstrate a certain level of proficiency in both general and specific skills.

Each educational village in the system is distinctive for its own constellation of cottage industries and notable artisans. However, these distinctions are often indiscernible to the untrained public eye. None the less, public opinion is very forceful in determining the relative status of cottage industries within educational villages, as well as villages within the educational productive system.

The market for higher education

The nature of the market and the product

Virginia's institutions of higher education compete for graduate and undergraduate students with other public and private institutions in national, regional and local markets. Even though enrolments in state institutions increased rapidly during the 1980s and early 1990s, Virginia's colleges and universities faced growing competitive pressures in the market for the best students. The changing demographic profile of those seeking an advanced degree and the adaptation of information and communications technologies for use in higher education influenced both the nature of demand for educational services and traditional market boundaries.

First, growing demand for advanced degrees increasingly has come from more non-traditional students—older, working adults, often heads of households and parents—not from what has been considered the traditional pool of potential students, 18–22-year-olds, the population of which has been declining in recent years.¹ These non-traditional students want programmes that are tailored to their needs for specific skills related to their current and future jobs, as well as to the constraints that their work and home lives dictate. Second, technological developments in information and communications systems now allow institutions to transcend their original market boundaries, which has been especially important to the development of programmes for non-traditional students. In particular, distance learning has been central to such initiatives and has fostered increasing competition in institutions' local and regional markets. Students can earn credit from locations off-campus using computers, networks, videos, and interactive televised classes and other technology, rather than attending traditional classes at local institutions.² Thus,

¹ For example, in 1993 colleges awarded 25% more degrees nationally than in 1980, despite a 15% decline in the population of college-age youth (Mandel, 1996).

² For example, in Virginia, through Teletechnet, Old Dominion University and the community colleges offer students with associate degrees the opportunity to complete four-year bachelor degree programmes on community college campuses (CFEV, 1996).

administrators now must worry about losing local and regional students, who traditionally would finish a four-year degree programme at their institutions, to institutions that may be located hundreds of miles away.

The educational product/service that systems of higher education offer is unique in nature. The institution's 'output,' and hence the productivity of those who produce it, is difficult to measure precisely. The production and consumption of the service occur simultaneously, but its ultimate value to the consumer is not realised for many years and may be affected by unexpected changes in labour market conditions. Furthermore, the production/consumption of educational services involve a multi-faceted relationship between four key stakeholder groups: administrators, faculty, taxpayers, and students/parents.

Heightened competition for traditional students in recent years in the face of their declining number has led many administrators increasingly to emphasise 'customer service' in the provision of educational services. More and more resources have been allocated to marketing/promotional programmes, including elaborate food courts, recreational facilities, attractive residence halls, manicured campus grounds, etc., designed to attract highly desirable students. This emphasis has replaced the more traditional focus on the best education possible for what one could afford to pay. As will become evident later, this change in administrative strategy is drastically changing both the role of faculty in the provision of educational services, and the nature of student/parent expectations concerning the services to be consumed and their value.

The fiscal crisis of the state and the cost of educational services

Virginia's state colleges and universities historically functioned exceptionally well with relatively modest state support, which rarely, if ever, placed Virginia in the top half of the nation's states in funding for higher education (Commission on the Future of Education in Virginia [CFEV], 1996). Beginning in the late 1980s, a number of singular events and long-term trends converged to put its system under increasing financial pressure. Under the guise of the new federalism, unfunded federal mandates for specific social services and cuts in aid to states for their provision, especially in health care but including education, increasingly transferred the cost of maintaining these services to the state. At the same time, unanticipated shortfalls in state tax revenues occurred and continued into the 1990s.

The Virginia state constitution mandates that its budget be balanced annually. The above-mentioned events put state legislators under pressure to reduce spending. Anti-tax hysteria and the political ambitions of the governors (Wilder and Allen) during the period made spending cuts, as opposed to tax increases, the only legislative alternatives considered. Appropriations from the state's total general fund to higher education were cut precipitously. Biennial appropriations to higher education as a percentage of total general fund appropriations steadily declined from 15.3% for the 1980–82 period to 12.6% in the 1994–95 period (SHEV, 1991; CFEV, 1996).

By the early 1990s, these cuts, combined with realised enrolment growth, produced a dramatic reduction in Virginia's per student general fund appropriation. Between 1988 and 1992, total enrolment in Virginia higher education increased by 18%. Over the same period, the total per student appropriation adjusted for inflation declined 15%, more than \$1,000 per student. Virginia now spends less on each of its students than most other states.

Consequently, there has been an extraordinary shift in funding from general funds (state-provided monies) to non-general funds (tuition and fees). The latter initially

accounted for 34% of institutional funding. By 1992, tuition and fees represented 44% of institutional monies. Not surprisingly, between 1989 and 1994 tuition at Virginia schools doubled. The average increase at ten representative institutions was 76.2% (Dewberry and Jennelle, 1995). In 1991–92, the tuition increases necessary to maintain operations placed Virginia's senior public institutions among the very highest in cost to students nationally. And, while student aid had represented 45% of tuition and fees in the 1980–81 academic year, by 1988 that percentage had dropped to 28% (SHEV, 1991). Furthermore, beginning in 1989 and continuing through 1995, state tuition assistance grants were frozen (CFEV, 1995).

The costs of college and university Educational and General (E&G) programmes include instruction, state-funded research and public service activities. They are primarily salary driven, averaging about 80% of institutional budgets (Dewberry and Jennelle, 1995). Table 1 shows the average increase in total E&G costs for nine Virginia colleges and universities per full-time equivalent student (FTE) and the increase in the CPI for three periods. E&G costs essentially followed the CPI for the 1973–83 and 1989–94 periods but increased at three times the CPI from 1983 to 1989.

This trend was due, in part, to faculty salary increases intended to place those in the Virginia system in the 60th percentile of faculty at their benchmark institutions. Total E&G cost increases for the 1989–1994 period, however, were only 20.5%. Meagre salary increases for faculty during these years help explain this slower growth rate. The portion of these costs that non-general funds from tuition covered increased 50% from 36.3% to 54.5%.

The upshot of the changes in state budgetary policies and priorities described above is that the burden of cost increases in the provision of public educational services has been shifted steadily and consistently to the parents of students or to the students themselves, putting those from the middle to the bottom of the income distribution at the greatest disadvantage. Families of young students, many of whom had been saving for years for college, have watched their economic fortunes erode. At the same time, however, the governor has earned a reputation as one of the country's most fiscally prudent managers.

External labour market organisation and institutions determining the terms and conditions of employment

Conditions in the academic labour market

Most new PhDs seeking academic employment have faced a buyers' market for many years now because there have been serious gluts in a variety of disciplinary markets. Those who do manage to find tenure-track positions at reputable institutions are considered extremely fortunate. A growing supply of graduates with advanced degrees in the face of declining demand for their services is putting downward pressure on earnings growth for these professionals (Mandel, 1996). Thus, the returns from a PhD are far more uncertain than most people commonly realise. On the supply side of the market, a growing number of foreign nationals who pursue graduate degrees in the US and then look for employment here once they have completed them have joined the ranks of US citizens competing for provisional entry-level positions.

On the demand side, given the new environment of cost containment that has enveloped institutions of higher education nationally and technological advances in the provision of educational services, some academics will fare very well in the market, some will see their jobs eliminated or transformed substantially, and new entrants will continue

Table 1. *E&G costs per FTE, 1974-94*

Institution	1973	Increase 1973-83	Yearly average	1983	Increase 1983-89	Yearly average	1989	Increase 1989-94	Yearly average	1995
GMU	\$1537	142%	14%	\$3720	63%	10.5%	\$6074	23.1%	4.62%	\$7478
ODU	1550	134%	13.4%	3632	62.6%	10.45%	5908	30.4%	6.09%	7706
VPI	1738	180%	18%	4866	57%	9.5%	7640	13.4%	2.68%	8664
JMU	1360	120%	12%	2995	60.8%	10.13%	4816	13.4%	2.69%	5464
LC	1484	104%	10.4%	3031	62.2%	10.37%	4921	23.3%	4.65%	6066
RU	1354	114%	11.4%	2903	49%	8.17%	4322	32%	6.35%	5694
VMI	2588	110%	11%	5435	52.5%	8.75%	8289	24.2%	4.83%	10292
UVA	2330	141%	14.1%	5608	73.2%	12.3%	9712	19.3%	3.86%	11585
W&M	2379	98.3%	9.83%	4718	58.8%	9.8%	7492	20.1%	4.02%	8999
Average	1833	126%	12.7%	4101	60%	10.0%	6575	21.6%	4.42%	7994
CPI	49.3%	111%	11.1%	103.9	19.34%	3.22%	4.03	20.2%	4.03%	149%
VCCS	1334	107%	10.7%	2777	27.4%	4.57%	1.97	9.87%	1.97%	3886

Source: Dewberry and Jennelle, 1995.

to face declining opportunities (Mandel, 1996). Considering the latter, replacing full-time faculty positions with temporary/adjunct positions is now central to cost-containment measures at many institutions. This has resulted in the growth of a substantial contingent work force: i.e., those PhDs not able to find full-time provisional positions.

Collective bargaining, bargaining structures and relative power

The role of collective bargaining in determining the terms and conditions of employment in higher education depends upon the particular institution and the system of which it may be a part. Some state systems, for example the State University of New York (SUNY) system and the Hawaiian system, are unionised. Recently, Illinois state institutions became organised. Often, under these conditions, the American Association of University Professors (AAUP) represents faculty in contract negotiations. A more traditional union may represent others. Recently, at many unionised institutions or those involved in organising drives, tensions between faculty and administrators have been rising owing to disputes over contract terms or administrative responses to organising drives.¹

At the majority of institutions nationally, however, faculty and staff are not unionised and do not bargain over their terms and conditions of employment. Rather, depending on the public or private nature of the institution, administrators, boards of visitor/trustees and state legislators determine employment standards, with faculty and staff having either very limited or no voice in the process. This is the case in Virginia, a 'right-to-work' state, where state law prohibits public employees from organising to improve their terms of employment.

The implications of Virginia's legal constraints

The employment code in Virginia has been determined primarily through case law. As such, it is very difficult to ascertain general employee rights in the state. The specific terms and conditions of employment at a given Virginia institution are presented in detail in faculty/staff handbooks. Job descriptions, internal governance structures, hiring, firing, reappointment, tenure and disciplinary procedures, as well as grievance procedures are usually outlined in handbooks. However, the language often is vague and subject to a variety of interpretations, depending upon one's perspective and desired ends. Because Virginia law prohibits faculty from organising to bargain collectively over their terms and conditions of employment, on most campuses in the state system faculty have relatively little *substantive* power within the institution's internal governance system. Administrators, with the consent of boards of visitors, whose members the sitting governor appoints when a vacancy occurs, and the composition of which is thus subject to ever-shifting political winds, have the ability to make unilateral decisions despite the existence of a faculty senate or comparable organisation.

Historically, most such existing faculty bodies have been either relatively passive or impotent in the governance of their institutions, the direction in which they are moving and the consequences for their faculties. This has often been the case because such organisations usually only have the power to recommend or advise regarding institutional changes that may hold important consequences for faculty labour standards. In many cases, administrators either may overrule or simply ignore faculty input that supposedly is an important component in what is euphemistically called 'shared governance'.

¹ For example, see *The Chronicle of Higher Education*, 1996A and 1996B.

Not surprisingly, most boards of visitors usually rubber-stamp administrative decisions even in the face of the most stringent and militant faculty objections, revealing the true locus of power in the institution.¹ As a consequence of the prevalence of this top-down structure and the relatively skewed balance of power that characterises it, one often may find very little trust between administrators and faculty on many campuses. And relations between faculties and boards of visitors are often not much better, if not worse. At our home institution, in particular, a culture of cynicism, mistrust and apathy has developed among faculty as the consequence of their having little substantive power in the university.

Public policy and labour standards in higher education

When revenue shortfalls began to trouble Virginia's legislators in the late 1980s, the solution they effectively adopted was to balance the budget on the backs of state employees. The budget cuts discussed above included salary and hiring freezes or salary increases at most state institutions that were far below the rate of inflation. Faculty faced declining real incomes for several years. The replacement of full-time positions with part-time/temporary positions reduced the costs of benefits that had to be provided. Monies for supplies, travel and other types of faculty development were also drastically reduced. At the same time, faculty workloads increased. Thus, real incomes also failed to reflect actual faculty productivity.

Technical relations of production at the university level

Technology and the provision of educational services

There is general agreement that new technology is good for universities and that such improvements and innovations promise benefits for all stakeholders in the system so they should be exploited. Faculty envision new tools that will improve student understanding and learning, as well as means to improve research and the processing of intellectual information. Students and their parents hope they will make classes more entertaining and the learning process more fun/less painful, while at the same time providing hands-on learning experience that will eventually be valued in the labour market. Further, administrators make investments in the latest technology to achieve institutional differentiation and improve their competitive edge in the competition for bodies and dollars.

With the costs of providing quality instruction soaring in the past 15 years, colleges and universities have also been pressured to discover ways to use technology to provide better educational services at lower costs. In this context, administrators view technology as 'labour-saving' and 'cost containing'. Equipment can be substituted for high-priced faculty through the use of electronic classrooms, higher student/teacher ratios, distance learning, satellite uplinks, etc. According to state reports, technological innovations are expected to allow courses to be tailor-made for the several different categories of human intelligence, and teachers encouraged to adopt the method that best fits the abilities of the individual student, increasing efficiency in instruction at least tenfold (Dewberry and Jennelle, 1995).

Innovations in communications and artificial intelligence are also allowing administrators to outsource services that full-time faculty originally provided, thereby transforming fixed faculty costs into variable costs. As Mandel (1996) notes, knowledge

¹ For example, when the faculty at James Madison University voted no confidence in its current president because of his perceived incursion into sacred faculty territory—the curriculum—the university's board of visitors supported him with a vote of confidence (*Chronicle of Higher Education*, 1995).

increasingly is becoming a commodity as skills and experience can be reproduced, recombined and disseminated. Narrowly defined jobs, the outgrowth of an increasing division of labour in intellectual work that the new technology makes possible, encourage the replacement of full-time with part-time/temporary faculty. The system's need to offer long-term employment security to employees is thus reduced dramatically. This process specifically involves shifting some traditional faculty responsibilities to a growing institutional bureaucracy. Education 'professionals' dissect teaching and the curriculum into more explicit vendible units, assess the demand for individual services and tailor them to meet short-term demand. If higher education continues to evolve in this direction, conceivably there could be universities in the future with no permanent faculty. Faculty would be under contract to provide a given number of instructional units and the university billed accordingly. Educational services would be paid for as they were needed on a very short-term basis. At the centre of this future university would be administrators with long-term contracts; at the periphery a completely contingent faculty work force.

Despite the acknowledged benefits of new technology in higher education, faculty in the state of Virginia have been chided for their lack of zeal in developing/adapting available technology for classroom use (Dewberry and Jennelle, 1995). Reportedly, they have not taken the initiative to design the curriculum and software necessary to realise new technology's potential to improve institutional efficiency. This may be because faculty are aware that their traditional needs go unmet and positions are eliminated when funds are redirected to 'high-tech' activities.

In a related but different arena, technological innovation also affects communications among stakeholders both on and across individual campuses, with positive and negative consequences for communication and working relationships within and among these groups. Advanced communications technology allows students and faculty greater access to resources and peers at other institutions nationally and internationally, thereby enhancing academic quality and diversity. On individual campuses, these groups are able to maintain closer and more convenient communication than might otherwise be possible. However, these developments also run the risk of totally replacing the one-on-one human interaction that can often provide the most long-lasting benefits of a college/university education: the spontaneous discussions and debates that occur in classrooms, in offices, on the street, in coffee-shops, etc. Strict reliance on modern technology as the means for campus communication may also undermine the development of a sense of community among students and faculty that promotes learning in ways that are difficult to measure exactly.

Social relations of production in Virginia state institutions

Institutional structure of the Virginia state system

The institutional structure of the Virginia system of higher education is highly hierarchical. At the top is a strong central coordinating board, the State Council on Higher Education in Virginia (SCHEV), which receives its directions from the state legislature and is responsible for planning and overseeing relatively autonomous state colleges and universities (CFEV, 1996). SCHEV's primary responsibility is to 'promote the development and operation of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education in the State of Virginia' (Code of Virginia, Section 23-9.3). In its capacity as the planning body for the system, it approves

proposals for new academic programmes and reviews the productivity of existing ones, reviews enrolment projections, sets guidelines for operating and capital outlay budget requests, makes budget recommendations to the governor and the General Assembly, and conducts studies and administers programmes for them as well.

When first established in 1956, SCHEV's main concern was to promote an equitable distribution of resources among the state's diverse institutions. As the system evolved during the 1960s and 1970s, the Council became more influential in formulating educational policy, and its recommendations eventually carried substantial weight in determining the character of the system's development. Beginning in the late 1980s, SCHEV played an important role in calling for substantial changes and improvements in Virginia higher education, i.e., 'restructuring', to ensure that the system remained fully responsive to the educational needs of Virginia taxpayers (CFEV, 1996).

Structure at the institutional level

For more than a decade, Virginia has been decentralising control over the operation of its colleges and universities. Originally, institutions were required to meet a set of financial performance standards to attain additional autonomy. Since then the state has increasingly relinquished direct control of many standard activities, at least on a pilot basis (CFEV, 1996). The objective is a system of autonomous institutions governed by boards that are responsible for them and that decide: (1) admissions standards; (2) which faculty to hire, promote, and reward for performance; (3) what will be taught and how; and (4) how resources appropriated to or raised by the institutions will be allocated.

At the level of the individual institutions, boards of visitors are responsible for overseeing operations. In reality, however, most boards effectively allow administrators great latitude and control in running institutions. Recently, at many institutions the administrative bureaucracy has been growing rapidly as a consequence of many of the forces discussed earlier. Most administrators—vice-presidents, deans, etc.—now have associates or assistants who work as intermediaries or buffers between them and faculty members and students.

In our experience, administrators appear to be giving themselves increasing responsibility for determining institutions' future directions. This includes making key decisions with respect to personnel matters and the institutional structure and processes involved in the college or university's system of internal governance. Perhaps most important, they ultimately control the allocation of increasingly scarce resources within their institutions, which gives them significant relative power in relation to faculty members who are always scrambling for whatever resources they can marshal. With respect to relationships between administrators and faculty, the 'chain of administrative command', begins with the department chair who may report to an associate or assistant dean, and through that intermediary directly or indirectly to the dean. The dean then reports to the vice-president for academic affairs or provost who, in turn, reports to the president.

A hierarchy within the faculty, intended to be based upon performance, is reflected in the structure of its ranking system. Those with the least qualifications and experience are expected to be found on the bottom rung of the internal job-ladder in adjunct/temporary positions. These positions are low paid, with few to no benefits and no job security. The rank of instructor or assistant professor is the formal entry way into the institution's internal labour market. At this level, positions are provisional, with competitive pay scales, benefits and the potential for job security.

Upon completion of a probationary period, faculty may be promoted to the rank of associate professor (with or without tenure depending upon the circumstances). This rank indicates that the individual has attained some minimal level of professional performance. In most cases, the level of performance necessary to earn the rank of associate is also sufficient to earn the faculty member tenure. Therefore, this rank more often than not includes job security. The top position in the faculty hierarchy is that of tenured full professor. This rank indicates exemplary professional performance over an extended period of time and brings with it significant institutional status and responsibility.

Recent concerns about cost containment that have been remedied through the substitution of full-time with part-time faculty positions, have engendered increasing segmentation in many institutions' internal labour markets. The number of faculty in 'primary' provisional or tenured positions is shrinking, while the number of fully qualified professionals in 'secondary' temporary/part-time positions is growing. This trend is producing formally factionalised faculties on many campuses. Significant differences in the terms of employment and relationships with the institution and its other stakeholders under which provisional and contingent faculty work creates very different issues of concern for them. This increasing polarisation within the faculty makes it even more difficult for faculty members to function effectively as a cohesive stakeholder group, which further diminishes their relative power in the system.

Mobility within the internal labour market

The faculty's terms and conditions of employment usually are the main substance of faculty handbooks. Their content includes the procedures and standards for reappointment, tenure and promotion. Terms also include a faculty member's general job description, procedures for faculty evaluation and the allocation of pay increases and monies for faculty development. Of these, tenure has become a very publically controversial issue in recent years.

The general public, especially corporate executives, increasingly perceive tenure to be an entrenched system where a much higher premium is placed on research than teaching. The system of tenure is held responsible for institutional inflexibility and believed to guarantee employment regardless of performance. For most outsiders it is nothing more than permanent job security, not a protection for academic freedom, the importance of which few comprehend. In fact, an accurate understanding of the principle and importance of academic freedom to the missions of colleges and universities is often beyond the comprehension of some members of boards of visitors, administrators and faculty themselves.

In higher education, a formal annual evaluation of each faculty member's teaching, research and service effectively replaces direct supervision in monitoring faculty performance. Movement through the ranks ultimately depends upon these formal evaluations because they are supposed to be the source of evidence about individual performance used to make reappointment, promotion and tenure decisions in accordance with prescribed procedures. Such evaluations have become even more important in recent years because the legislature has mandated that all faculty pay increases be based upon 'merit', not simply allocated equally across the board, to improve productivity in the provision of educational services.

Depending upon the institution considered, the three components of faculty performance—teaching, research and service—are measured and the individual's

performance compared to institutional standards. At some schools, evaluations have become highly quantified. Teaching, research and service are given particular weights in numerical scores that are used to place faculty members in a particular performance category. Scores for each activity included in the composite must be computed, which means that scales must be developed that allow research, teaching and service activities to be assigned numerical values.¹

Department personnel committees, chairs, college/university review committees, and administrators use faculty evaluations to make decisions regarding reappointment, tenure, promotion and the allocation of merit pay. While all faculty would acknowledge that formal evaluations are supposed to be the primary source of information used in decision-making, they also are well aware that these processes, including the evaluation itself, do not occur in a vacuum. Rather, the context in which such decisions are made is highly social and political. Therefore, often intangible and informal information may also influence the final decision. Just as important, faculty members themselves compile much of the information provided for their evaluation. To ensure that discrimination and violations of due process and academic freedom do not occur in these procedures, colleges and universities have formal grievance/appeals procedures in place.

Relationships within the internal labour market

In their teaching, research and service activities, faculty often develop relationships with one another within and across departments, as well as with administrators. Many are involved in team-teaching, which allows them not only to share teaching techniques but also developments in their disciplines, from which everyone, especially students, benefits. Faculty also may collaborate on research projects, which often improves the return to institutional resources expended on them, as well as the quality of the final product.

Faculty from different departments and colleges also may serve together in a variety of capacities in internal governance. Contact in such activities provides them with opportunities to share their experiences and problems, successes and failures, within their home institutions, as well as within the system as a whole. In this arena, they may work in conjunction with administrators. Here, the relative power relations that characterise the institution's internal hierarchy may affect the nature of interaction and the level of effective communication that occurs within and between these two stakeholder groups. At one extreme, a highly skewed balance of power that favours administrators will leave faculty relatively impotent in their interactions with them, which may produce either apathy and involvement that is symbolic at best, or heightened militance. At the other extreme, a more equitable balance of power and opportunities for substantive faculty input in the system may produce more positive, proactive interactions between the two and yield workable relationships that benefit the institution as a whole.

Market and labour relations strategies in the Virginia state system: the mandate for institutional restructuring

Virginia higher education as a marketing tool for the state

State legislators have indicated that they consider the system of public education to be one of Virginia's 'growth industries', and an important component of its current economic development plan (Dewberry and Jennelle, 1995). The system, including its colleges and

¹ To measure teaching effectiveness, for example, student evaluations most often are designed to allow the computation of a score within a given scale.

universities, represents a \$7.8 billion industry which is the largest that operates entirely within the state's borders and is larger than all but two of its largest corporations. The availability of a quality education at low cost to taxpayers and businesses and a well-trained work force are part of an incentive package designed to attract investment capital into the state.

Faculty and administrators in the system are now obligated to serve the needs and interests of their regions and the state in their economic development efforts. Moreover, they have been called upon to adopt business practices within their own institutions, such as encouraging and rewarding cooperation, entrepreneurship, and the exploration of new and untested ideas. The latter involves the provision of 'seed money' for developing commercially viable research to help well-managed, cost-effective technology linkage programmes continue to attract industry to Virginia (Dewberry and Jennelle, 1995).

Officials have advocated that Virginia's colleges and universities be more organised and systematic in their involvement in economic development. In May 1995, the state's college and university presidents developed a plan of action to strengthen higher education's ability to support economic development statewide (CFEV, 1996). It required each institution to name a director of economic advancement to coordinate support for economic development and to establish or join forces with a regional round-table of business leaders. This group was then to identify regional focal industries and the educational support they needed, and recommend the necessary regional changes in higher education. Directors of economic advancement and representatives of regional focal industries also were expected to develop a comprehensive plan for the role of higher education in regional economic development based on the group's findings.

The mandate to 'restructure' higher education in Virginia

In response to the state's continuing fiscal crises, officials assumed that the same logic that undergirded competitive strategies in the private sector could be applied to surmounting problems in higher education. They turned to popular management literature for guidance and came away with general notions such as 'working smarter', 'reengineering', 'restructuring', etc. Continuing cuts in appropriations from the state's general fund led SCHEV to instruct the state's colleges and universities in a May 1994 document, entitled 'Restructuring Criteria', to 'develop strategies and actions to improve quality while reducing the real dollar unit cost of the services provided' (SHEV, 1996). Expecting substantial growth in the future student population, the primary thrust of this mandate was to require institutions to restructure themselves so that they could teach more students with fewer resources, streamline operations, and cut unproductive programmes (CFEV, 1996).

Another important motive underlying the mandate was to reverse negative public sentiment regarding the effective use of tax revenue in higher education and to convince taxpayers that higher education would operate as efficiently and effectively as possible in the future, i.e., contain the per student cost of instruction. The desire was to demonstrate clearly to taxpayers, consumers, and others who invested in higher education in Virginia that they were receiving an acceptable return on their investment.

Restructuring's foremost goal became then meeting the educational needs of increasing numbers of students with a relatively limited investment of state funds. Savings would be passed along to consumers—students, their families and taxpayers—in the form of flat (or lower) tuition costs (Dewberry and Jennelle, 1995). At another level, however, it was argued that restructuring was not singularly concerned with cutting the cost of instructing

more students, rather it also was an opportunity to completely rethink the manner in which educational needs were met. Finally, restructuring was not to be a 'one time, quick fix' but an essential component of ongoing institutional policy, whereby operations and services would continually be evaluated and improved, or eliminated as necessary. Officials claimed that all eyes were on Virginia as it took a leading role in higher education nationally through the example of its restructuring efforts.

Strategies for cost containment

A document recently circulated to faculty senate members at our home institution entitled 'Strategies for Cost Containment in Higher Education' clearly reveals the types of cost containment measures that are central to restructuring. They focus on reducing costs for both part-time/temporary and full-time faculty; staff; administration; and programmes. To decrease the use of part-time/temporary faculty, it suggests careful distribution of enrolments across all classes, larger class sizes, larger internship supervision loads, elimination of small class sections and elective and discretionary classes, and less reassigned time for full-time faculty. Full-time faculty costs could be reduced by eliminating positions through attrition and delaying hiring for authorised positions, redeploying faculty across departments and providing early retirement options.

Redeploying staff across departments and units, combining departments, deferring new hiring, replacing salaried positions with hourly ones and moving staff from twelve-month to nine-month contracts are initiatives suggested to decrease staff costs. Lower administrative costs could be achieved by merging departments, eliminating programme coordinators' positions, increasing administrative teaching loads with no additional compensation, and eliminating layers of management. Finally, the document lists collaboration with other universities in joint programmes, improved quality, reduction of the number of tracks and courses and reduced credit hour requirements as means to bring down programme costs.

Since restructuring formally began in 1994, Virginia's public colleges and universities have privatised services with an annual estimated financial value of \$145.4 million (SHEV, 1996). Food services and bookstores accounted for two-thirds of the annual financial value of services provided for the entire public system of colleges and universities through private contracts.

When all of the changes which institutions are implementing take full effect, the system-wide annual financial benefit of restructuring is estimated to be \$109.8 million, almost evenly divided between instruction and administration. The largest single amount within instruction, \$22.9 million once the plans take full effect, is the financial benefit of increasing faculty productivity.

Streamlining programmes and reducing degree requirements

The Code of Virginia (Section 23-9.6:1) provides three criteria for non-productivity of programmes: the number of degrees granted, the number of students a programme serves, and budgetary considerations. Since 1974, SCHEV has monitored all state programmes with regard to these criteria. Programmes that did not meet at least one of the criteria were reviewed (CFEV, 1996). Despite low enrolments, some programmes under review were 'continued under close scrutiny' for various reasons.¹ In response to

¹ For example, programmes considered vital to employers but of little interest to students, such as medical technology programmes, were continued when they could be offered economically or if employers were willing to subsidise them (CFEV, 1996).

recent demands that productivity standards be raised, as well as broadened to include quality, SCHEV has created a new procedure for productivity review. Institutions have been asked to designate programmes as 'weak' or 'strong' and as 'essential' or 'peripheral' to their missions. Programmes without sufficient graduates will be subject to further review, including quality assessment.

In the past, the state's colleges and universities paid little or no attention to programme duplication (SHEV, 1996). As part of restructuring, they have been required to sort their programmes on the basis of centrality and strength. Programme reviews include an analysis of where they fit with similar programmes offered statewide. Programmes that duplicated others currently available elsewhere in the state were to be reviewed for possible elimination. When duplication is necessary to meet local or regional needs, or because of external pressures, institutions have been asked to consider ways in which their funding can be reduced or shifted to non-state sources (CFEV, 1996). Some institutions have completed these reviews; most have not. Institutions that did not have regular and systematic programme review procedures to do such sorting have been required to establish them.

Consequently, by the 1995-96 academic year, 76 programmes had been discontinued as a result of restructuring or productivity review. Nineteen more programmes were expected to close when seven merged programmes were approved, which would increase the number of discontinued programmes to 88 (SHEV, 1996). Programme approval and productivity reviews will continue in the future as established components of institutions' ongoing restructuring processes (CFEV, 1996).

Every institution has given attention to the number of credit hours needed to complete the bachelor and associate degrees. Of institutions granting bachelors degrees, 70% now require 120 hours for completion, 13% now require 121-124 hours. Nineteen of them will require 120 hours by August 1997 (SHEV, 1996).

The role of technology in restructuring

Reportedly, Virginia's colleges and universities are 'behind the curve when it comes to information and communications technology' (CFEV, 1996). State reports indicate that nearly all are scrambling to keep up with technological developments. State legislators and SCHEV officials view technology as a key part of restructuring because they believe it will produce dramatic improvements in productivity in instruction within a relatively short period of time.

New instructional technologies that enable faculty to reach more time- and place-bound students are central to such improvements. Officials expect that by 1998 at least 30 community college sites will have developed distance learning programmes that will offer some 20 different degrees and 400 courses. However, technology-based delivery systems require substantial start-up and operating costs, and will have to generate substantial enrolments to be cost-effective. The state is encouraging institutions to establish both intra- and inter-institutional communications infrastructures. Officials would like them to fully automate as many information, communications, teaching and learning functions as possible (Dewberry and Jennelle, 1995). Virginia's 1994 restructuring strategies of colleges and universities describe increasing reliance on telecommunications, and academic and administrative computing systems to provide educational services. The bulk of the financial benefits of restructuring so far have been channelled to improving communications and information systems (SHEV, 1996). These investments have allowed the development of distance learning programmes that are helping to eliminate

unnecessary duplication of high-cost programmes.¹ As part of recent revisions in faculty evaluation plans, many institutions now recognise the application of new technology in instruction as an important faculty activity.

Future assessment of faculty performance

Under the mandate to restructure, all institutions must follow merit pay policies, which means that all faculty, even those tenured, must be evaluated annually. Institutions also are under pressure to establish more explicit evaluation criteria and to develop new ways to measure faculty performance. Heightened emphasis on efficiency and productivity has led them to revise their pre-tenure review processes and increased the likelihood that specific weights will be assigned universally in the system to teaching, scholarship and service. Almost half of Virginia's institutions now use explicit numerical percentages to weight these criteria, with all rating teaching at 50% or higher (Dewberry and Jennelle, 1995).

It has been recognised that abolishing tenure is implausible because it would undermine institutions' abilities to compete for faculty in national and international markets. However, to assuage public concerns about tenure, it is to be awarded for reasons that make sense to the general public. Once achieved, faculty performance will still be evaluated using standards and procedures that have teeth (CFEV, 1996). This past year, state legislators stipulated that all institutions had to have 'faculty evaluation plans to include regular, rigorous pre- and post-tenure performance reviews acceptable to the Secretary of Education and the State Council of Higher Education' (1996 Virginia Acts of Assembly, Chapter 912, Section 1-127.F.2; SHEV, 1996). It has been suggested that 'colleges and universities become more "business-like" about tenure, setting institution-wide policies and general criteria for the application of tenure-track agreements with faculty' (CFEV, 1996). Tenure decisions are no longer left solely to the discretion of departmental colleagues. Boards of visitors are to take the lead in establishing a better balance between teaching and scholarship in tenure decisions; the former to receive greater weight than previously.

Measuring institutional performance under restructuring

Annually, taxpayers, tuition-payers and others invest \$3.5 billion in the state's higher education system (CFEV, 1996). In response to public concern about the system's efficiency, officials want to provide stakeholders with more explicit information about the actual rate of return on their investment. This requires measuring: (1) what students know and what they can do after college; (2) what kinds of learning experiences are available to them; (3) what alumni think about the value of their degrees; (4) what employers think about the knowledge and skill levels of graduates; (5) what effect the colleges and universities have had in helping, saving or attracting businesses to Virginia; and (6) what benefits have accrued to the state from research it has funded.

Measuring the returns to education exactly is difficult at best. Academic profiles of entering students, average class sizes, frequency of contact with senior faculty, graduation rates after four or five years, job placement rates, etc. are 'performance indicators' that are currently used to describe institutions so that consumers and other stakeholders can evaluate them (CFEV, 1996). Under restructuring, new state guidelines call for assess-

¹ For example, over 50 faculties in Virginia Tech's 'Cyberschool' have already produced 150 Internet-based courses (CFEV, 1996).

ment coordinators to work with SCHEV staff to develop a set of common questions that will reveal graduates' satisfaction, employment and pursuit of further study.

Some Virginia universities currently are developing ways to measure learning more exactly. What students learn rather than how many hours faculty teach is becoming the preferred indicator of productivity in instruction. Eleven institutions plan to measure what students learn using new teaching technologies or new kinds of facilities, such as multi-media classrooms, compared to what they learn in more traditional settings. Another six will develop learning goals for and ways of measuring levels of learning from alternative methods of instruction, including innovative scheduling, internships, and experiences outside the classroom. Others are developing courses that rely primarily on self-paced, individual research and only marginally on traditional lectures. It has also been recommended that SCHEV work with the colleges and universities, the Southern Regional Education Board, and national testing organisations to identify standardised exams that would help determine what students learn.

In terms of institutions' overall performance, many officials would like to see colleges and universities with records of excellent administrative performance become quasi-public entities totally responsible for their operations. Such autonomy would give them more flexibility to adapt to changes in the economy and society. It is expected to produce a greater sense of ownership in those who work in these institutions, which should lead to more imaginative, cost-conscious decision-making. Such a shift would allow those closest to the points of service to have the greatest responsibility for operations, allowing the domain of state government to shrink (CFEV, 1996).

Such institutions' missions, clients and institutional governance would not change, but their boards of visitors would have increased responsibility for oversight. No areas would be beyond their control, as there are now. Further, SCHEV is considering the possible benefits of permitting boards of selected institutions to appoint a limited number of members in addition to those now appointed by the governor. Under these circumstances, measures of institutional accountability would change. Administrators, faculty and staff would be aware that they were fully responsible for the institution's performance, including its ability to serve its clients. The Auditor of Public Accounts would financially audit them and SCHEV would carry out 'academic performance audits' to ensure that resources were allocated to the best possible uses.

Implications for the future of higher education in Virginia

Returning to the original analogy of the educational village, some stakeholders in this system, most often parents of shoppers and/or their representatives in the legislative arena, increasingly have attributed problems students face in finding desirable outlets for their skills after graduation to problems within the village and its industries. They have assumed that there is an exact, predictable, causal relationship between the skills acquired and students' ultimate success in the larger productive system after they leave the educational village.

Responsibility for 'restructuring' the village and its cottage industries to improve efficiency and reduce costs has been left primarily in the hands of administrators. Administrators have functioned in the village in a manner similar to a growing merchant class. They are the middle people who increasingly have taken over responsibility for the organisation of the village's industries; procurement of funds for investment in the village; distribution of these funds within the village; and the sale of industries'/artisans' wares to

the public. Their decisions have been based on acceptance of the notion that the solution to heightened competitive and financial pressures is an almost exclusive focus on short-term cost reduction. Under these circumstances, *destructive* work systems most often enjoy a relative cost advantage in the short run. Thus, the system is actively being restructured away from a relatively more *cooperative* one to one that increasingly exhibits features of a *destructive* system.

In particular, a traditional hierarchical organisation of work often found in manufacturing, along with similar human resource policies, and relatively adversarial approaches to employee relations have begun to appear, despite rhetoric about employee involvement and cooperation. Further, under this structure, administrative merchants not only have almost exclusive control over important changes in the system, but also over how and when they will be implemented. Most important, their control over such decisions has given them comparable power over the distribution of the costs and benefits associated with them, allowing them to minimise the costs of these changes to themselves and to other stakeholders whose interests they choose to protect at the expense of those whom they perceive to be less important/powerful in the system. Underlying this ongoing transformational process are several active principles.

Inspection and disaggregation

Administrative merchants, in their attempts to rationalise the provision of services in the educational village have begun to alter fundamentally the organisation of the village and its industries, and, thus, the role of its artisans and the nature of the wares they produce. The faculty member's craft increasingly has become subject to administrators' *inspection and disaggregation*. This has led to a division of labour that has been imposed in much the same manner that merchants used to transform craft-based production of consumer items into the mass manufacture of standardised products.

Based on the notion that it can be evaluated using only the number of hours spent in the classroom, the current public perception is that faculty productivity is relatively low. Administrators' desire to assuage this concern has led them to *disaggregate* the artisan's craft into distinct tasks in the hope that they will be able to measure performance more accurately and better justify their demands for public funds. *Inspection* is the process by which they identify the tasks involved in providing educational services and define them more and more narrowly. And there appears to be no limit to the extent to which this inspection process can be applied.

After the tasks have been identified, different values are attached to them. For example, administrative merchants may decide they want an emphasis on applied research in the village because, given the state's directive concerning the future role of higher education in economic development, it directly benefits the local community. But, rather than provide all faculty artisans with the resources necessary to enhance their skills and opportunities in this area, administrators envision a centre where all activities of this nature will be coordinated and carried out in the future. This removes control of this particular task from both faculty and departments and shifts it to a new administrative merchant—the centre director.

This process of *inspection and disaggregation* has resulted in the creation of a plethora of centres for advising, counselling, technology education, experiential learning, service learning, etc.¹ They are becoming the institutional basis for the educational assembly line.

¹ A recent visit to the University of Virginia web site listed 49 centres or institutes within a single organisational unit.

Students enter on a specified date, pick up courses at prescribed times from specified personnel—much like a car accumulates nuts, bolts and tyres in continuous process production—and leave on specified dates with fully assembled degrees, ready for the market—the quantifiable output of the educational village. As the traditional village is reorganised in this way, the roles of both cottage industries and faculty artisans are dramatically transformed, and their value in the village, and thus to administrative merchants, is significantly reduced, leaving them increasingly vulnerable in the system.

Bureaucratisation and credentialism

Inspection and disaggregation also spawn *bureaucratisation and credentialism*. The latter transforms variable costs of educational services (primarily costs associated with a core of permanent faculty) into fixed administrative/overhead costs. New positions for administrative merchants, once created, tend to become permanent. After a critical mass is achieved in a given administrative position, it eventually becomes a profession with established, standardised credentials. These positions seem eventually always to require growing support staffs. As described earlier, a high-ranking administrative merchant in the process of reorganising the provision of educational services creates a new administrative position with responsibility for a task/service that faculty artisans originally performed.

While initially the position may be defined as 'temporary' and assigned a title such as 'assistant' or 'associate' to a higher administrator, if the incumbent achieves any success in light of administrative initiatives for improving perceived institutional performance, longevity is a certainty. Administrative merchants at other institutions in the process of reorganising their delivery of services following the principles of inspection and disaggregation add to the numbers in this growing class. Those who hold comparable positions within it eventually establish their own professional organisations and conferences. Over time, all educational villages, in order to remain competitive within the overall system, must establish similar organisational structures and positions, and give them high priority in the distribution of scarce resources. It is conceivable that the faculty of the future will have to hire themselves out to such centres on a temporary basis, much as artisans eventually were forced to go to work for merchants in their factories.

A growing division of labour

The *growing division of labour* in the delivery of educational services reduces short-term market transaction costs associated with students' acquisition of both general and specific skills. In the traditional educational village, faculty as artisans are committed to their villages. They do whatever is necessary to keep their academic reputations sound. They develop curriculum and write reports on issues of critical concern to the institution at administrators' requests. Relationships between administrators and faculty, more often than not, are collegial. Given faculty members' range of general and specific skills, the system is relatively efficient.

However, institutional restructuring is transforming the academic environment. *Disaggregation, bureaucratisation and credentialism* are increasing opportunities for outsourcing educational services that were once under the control of full-time faculty. Professionals can be hired on a strictly temporary basis to perform specific tasks for a specific period of time. As full-time faculty move to new positions outside the village or retire, given the objective of cost reduction that underlies restructuring, administrators are increasingly opting to follow a 'low wage path' for meeting competitive pressures by replacing them

with a contingent work force of adjunct instructors. This could be described as an 'in-house putting-out system'; individuals are brought in temporarily to handle specific tasks, rather than tasks being shipped out to temporary workers.

Increasingly, full-time and/or tenured faculty contracts are viewed as economic burdens that reduce administrative merchants' budgetary flexibility. In this vein, many would like to eliminate tenure, not because they want to reduce academic freedom (although this may be a concern for some), but because they give higher priority to budgetary matters. Faculty, on the other hand, have a vested interest in the tenure system because it protects their job security. However, the problem that the eventual dismantling of the tenure system through accelerated outsourcing (as faculty leave their full-time slots are replaced with temporary positions) holds for intellectual/professional integrity and academic freedom is considerably more insidious.

It is not the loss of job security, despite its potential effect on faculty lifestyles, that should be of most concern. Rather, it is the systematic destruction of the traditional professional foundation upon which academicians base their perceptions of higher education. Administrative merchants are slowly usurping the artisan's control over his/her craft and its further development in his/her industry and village.

Third-party accountability and assessment of outcomes by encumbering inputs

Third-party (administrative) accountability has increased centralisation and given administrative merchants greater control in the educational village. Artisans from the different industries are no longer directly accountable to or in direct communication with those who ultimately control the village's funding or those who purchase the wares that its artisans produce. *Third-party accountability* leads to *the assessment of outcomes by encumbering inputs*: i.e., inputs are treated as proxies for outputs when assessing the village's performance. Administrative merchants actively attempt to identify educational services that the public might associate with desirable performance outcomes. They track the most quantifiable, hence measurable, of these activities as evidence of improving village efficiency and performance.

The number of hours spent in pursuit of a particular performance outcome often is the logical starting point, as are the number of pages in reports about that outcome. Flyers, brochures, videos, promotional materials and floor space in facilities or centres, while inputs in the provision of educational services, because they are tangible and visible are presented to the public as evidence that certain educational outcomes will be realised. And, the more narrowly the desired outcome is defined, the easier it is to justify its probable attainment using inputs as a proxy. In this way, those in charge of the educational village no longer assert that students will benefit from education based on faith in the professionalism of their faculty artisans. Instead, they attempt to demonstrate such benefits through fancy catalogues, plans of study, progress reports, and impressive physical structures and grounds.

Third-party accountability has enabled administrative merchants gradually to take control over financial matters and to remove resources from the village's industries and its artisans. Administrative merchants secure the funding for investment in the village from state legislators. Thus, they actively attempt to fashion public perceptions of the village's industries, its artisans and its wares. And they are not without their own class interests. Their success in the system is a direct consequence of their ability to restructure the village to meet competitive pressures and financial constraints while simultaneously enhancing its image. Their increasing number and expanded role within the village, as well as the

greater centralisation, routinisation and outsourcing that results from their efforts to reorganise the production of educational services, shifts the balance of power in the village to them and away from the artisans who produce the wares.

There is and has been a tenuous balance of power between administrators and faculty across the system. Small, less prestigious villages where faculty artisans are fewer in number, and thus have less leverage, less real power to negotiate with administrative merchants and/or board members over restructuring initiatives and their consequences for faculty artisans, may be the harbingers of the future. This shift in relative power, while at this time seemingly inconsequential from the vantage point of many faculty artisans in many villages, will eventually threaten all faculty in all villages as their administrative merchants begin to adopt approaches based on similar principles to solve their competitive and financial problems. Unfortunately, many faculty in larger, more prestigious, better-endowed villages are blind to this emerging trend because of a misguided belief, fuelled by arrogance, in their own invulnerability. In many ways, this attitude has helped create the current environment, one that is increasingly hospitable to a formal restructuring process that replaces the traditional organisation of production with a more destructive one, under the guise of improving performance. Ironically, while faculty in the largest and most powerful institutions have often been most responsible for fuelling public opinion about the inefficiency of the traditional educational village, given the relative power of their villages in the state system, they may be the last to feel the sting of its consequences.

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