Globalization and its Influence on the Governance Paradigm of Australian Public Universities

Joseph Christopher
Globalization and its Influence on the Governance Paradigm of Australian Public Universities

Joseph Christopher, Curtin University, Western Australia, Australia

Abstract: This study aims to examine the extent to which globalization has influenced the governance paradigm of Australian public universities. Using a qualitative methodology and analyzing the data against a multi-theoretical governance framework, the findings suggest that the true impact of globalization is dependent on a number of wider influencing forces pertinent to an individual organization. Universities reacted differently to these forces, resulting in different levels of development and implementation of their governance mechanisms and processes. The theoretical implications of the findings support a multi-theoretical approach to governance to facilitate the identification of an organization's wider influencing forces. The practical implications provide for the identification and incorporation of such forces within an organization's governance framework to ensure a holistic approach to developing and implementing governance mechanisms and processes. The findings provide avenues for further research with other industry sectors to confirm the above theoretical and practical propositions.

Keywords: Globalization, Internationalization, Governance, Multi-theoretical Governance, Framework

Introduction

THE LATE 20th century was described as the beginning of an era of rapid interchange of capital, technology, people, ideas and information across countries (Holton, 2000). This has increased over the years and the phenomenon has been referred to as "the globalization of markets across nations through the convergence of cultures into a commonality of shared goals and values" (Goh, 2009). This globalization culture consequently has had a massive impact on the internal operational structure and processes of organizations to an extent that they have to be developed, implemented and managed to integrate with the political, economical, cultural and sociological influences of nations.

The above globalization phenomenon has affected organizations from all industry sectors. In respect of the higher education sector, it has been described as a key influencing force of change on its governance paradigm (Schofer and Meyer, 2005; Vaira, 2004). It has been argued that this culture has inevitably changed the focus, core values and modus operandi of universities in most western democracies (Parker, 2002). Others have broadly argued in a similar vein that this global effect on higher education has been an influencing force on the governance of universities (Gumpert, 2000; Teichler, 2004). The term “globalization,” in the context of its impact on the governance of universities was more specifically described as “the broad economic, technological, and scientific trends that directly affect higher education and are largely inevitable” (Altbach, 2004).

An important characteristic of globalization and in particular playing an important role in driving changes in the operational processes in the higher education sector was described as internationalization. Kishun (1998) in this context described globalization as influencing
the international nature of universities and the programs they offer. Altbach (2004) provided a more encompassing definition of internationalization and referred to it as “policies and programs undertaken by governments, academic systems and institutions, and even individual departments or institutions to cope with or exploit globalization.” Tovar and Corderosa (2003) characterized the impact and change in the operations of universities to an increased demand for enrolment in education across countries, competition within and across countries for students, staff and research funds, new technologies which require workers to be better skilled and qualified and consequent changes in teaching, learning and research methods as a result of improved technologies. In essence, universities had been transformed from providing an “elite” system of education to a mass system of education which was associated with an increased level of management complexity in its operations and professionalism in its administration (Coates et al., 2009; Meeks, 2002). This change in the management mode was associated with corporate managerialism (Marginson and Considine, 2000; Parker, 2010).

Australian public universities were traditionally associated with collegial managerialism (Marginson and Considine, 2000). There is uncertainty as to how globalization and its associated influence of corporate managerialism have influenced the development of governance components and processes of Australian Public Universities that were traditionally based on collegial managerialism. The current literature on university governance tends to point towards broad issues of vision, policy and accountability rather than governance at the operational levels (Vidovich and Currie, 2011). The purpose of this study is to address this knowledge gap by firstly confirming through a qualitative study the globalization influencing factor on the Australian public university sector currently and secondly determining the extent of its influence on the governance paradigm of Australian public universities. The term governance paradigm in the context of this study refers to the range of governance mechanisms and processes applicable to an organization for the purposes of effectively managing it. It adopts the definition of the extended governance paradigm by Christopher (2010) whereby it is described as the recognition of an organization's wider influencing forces, its consequent wider contractual obligations and the resultant changes to its governance mechanisms and processes drawn from a multi-theoretical platform. The breadth and depth of these changes are described as occurring across an organization's governance levels and these ranges from the board, operational and assurance levels (Christopher, 2010).

The rest of the paper is arranged as follows. Firstly, the theoretical underpinning of the context against which the study is conducted is provided. Secondly, the research methodology is outlined. Thirdly, the results of the empirical study are analyzed and discussed. This is followed by the final section that presents a conclusion and discussion of the findings.

Theoretical Underpinnings

Agency theory, the traditional underpinning theory of governance (Berle and Means, 1932; Jensen and Meckling, 1976) essentially posits that management and the principal have different interests. The theory consequently suggests the need for ‘controls’ to align management’s interest with those of the principal. This approach is embodied in most governance policies for the purposes of improving the effectiveness of corporate governance (Brennan and Solomon, 2008; Davis, 2005; Parkinson, 1993). Recent legislation in Australia and the United States that have taken this approach to overcome loopholes identified in numerous
corporate scandals include the Corporation Law Economic Reform Program Act, 2004 and the Sarbanes Oxley Act, 2002 respectively.

Academic researchers have criticized the above agency-oriented concept of governance. They argue that the organizations are impacted by a wider range of influencing forces (especially with the impact of globalization) and that a ‘control’ environment, built on agency theory principles only does not fully account for the ambit of contractual obligations to which parties of an organization are involved (Aguilera, Filatotchev, Gospel, and Jackson, 2008; Clarke 2005; Filatotchev 2008; Roberts, 2001, 2009; Roberts, Sanderson, Barker and Hendry 2006). It has been argued that a multi-theoretical approach to governance would provide for the recognition of a wider set of influencing forces and its associated wider contractual obligations. (Aguilera et al., 2008; Filatotchev 2008; Daily, Dalton and Canella, 2003; Young and Thyil, 2008). It was argued that this approach would inevitably provide for the development and implementation of a set of governance mechanisms and processes more aligned with these wider contractual obligations.

Christopher (2010) in response to the above suggestions developed such a multi-theoretical framework to recognize the wider influencing forces and the consequent wider contractual obligations associated with it. It was suggested in that framework that an important source of wider influencing forces are the emerging different interest of stakeholders. It was on this basis that the integration of stakeholder theory with agency theory was proposed as this combination facilitates the recognition of the wider stakeholder interests and their consequent wider contractual obligations. The varied levels of influence of different stakeholders require different levels of ‘controls’ to address them. The importance of recognizing these wider stakeholder interests was emphasized by (Clarke, 2005) who referred the failure to recognize them as one of the causes for the Enron failure. The integration of this theory is especially relevant to the impact of globalization which requires universities to recognize the needs of a range of new stakeholders through its internationalization activities.

Christopher (2010) also referred to other dimensions of influence across the governance levels of organizations that need to be taken into account. These include ‘controls’ to adequately manage the wider influencing forces at the board and senior management governance levels. It was suggested that resource dependency theory be integrated with stakeholder and agency theory to ensure board and senior management members have the appropriate skills and experience for such a purpose. This is especially relevant to the impact of globalization on Australian public universities which need to have appropriate board members to govern its internationalization activities.

A further dimension related to ‘controls’ to adequately provide the board and management with an assurance that the governance mechanisms and processes are operating efficiently and effectively. This involved developing and implementing a right mix of monitoring ‘controls’ and extrinsic rewards with empowering ‘controls’ and intrinsic rewards. An appropriate balance between the two was dependent on the level of trust placed on the organization and its operating environment because of its wider influencing forces. Christopher (2010) suggested that this balance could be determined by integrating stewardship theory with agency theory. Agency theory focuses on maximum ‘control’ and minimum trust and stewardship theory focuses on maximum trust and minimum ‘control’.

In determining an appropriate balance between trust and ‘control’ it was further suggested that governance can improve with a culture that emphasized greater trust and involvement of all levels of employees in the decision making process (Spreitzer and Mishra, 1999). This
is because such an underpinning can influence the corporate culture by making individuals and organizations more aware of the ethical component in their decision-making accountabilities. The importance of an underlying ethical culture in a governance framework was also emphasized by Plessis (2008) who suggested that stakeholder theory provided for a framework of ethical conduct within the firm. Plessis (2008) suggested that this is achieved through active board discourse and the empowerment of legitimate stakeholders in the decision making process, and referred to this process as “new value logic.” This additional accountability of board and management was referred to as: “a vital social practice – an exercise of care and relation to self and others, a caution to compassion in relation to both self and others, and an ongoing necessity as a social practice through which to insist upon and discover the nature of our responsibility to and for each other” Roberts (2009 p. 969).

In summary, it is argued that the convergent and complementary insight of the multi-theoretical approach to governance provide for a richer and more relevant theoretical context for studying the impact of globalization on the governance paradigm of universities. This is because the complexities associated with globalization essentially involve a whole range of influencing forces impacting on the governance paradigm of organizations. These in turn require a wider set of contractual obligations, which are underpinned by multiple theories as described through the multi-theoretical model of Christopher (2010).

Research Methodology

A qualitative research approach was adopted. It involved interviews with representative samples of three groups of relevant staff members from all 37 Australian public universities to obtain their perceptions on the influence of globalization on their governance paradigm. (Governance paradigm in this context relates to the governance mechanisms and processes in place across its three governance levels to ensure the efficient and effective governance of the university). The selection of these three groups was purposeful in accordance to established procedures for qualitative research (Straus and Corbin, 1998) given their overall responsibility on governance. The three groups comprised of nine vice chancellors (representing 25% of all universities), fourteen 2nd tier senior managers comprising university secretaries, chief financial officers and executive deans of divisions (representing 25% of universities) and twelve chief audit executives (representing 34% of all universities). The purpose of the second group was to assist towards supporting and corroborating the views of the first group and the purpose of the third group was to authenticate the views of the two other groups.

The rationale for selecting chief audit executives (CAEs) as the group that authenticates the results was because of their role of enhancing university governance through their assurance role. The internal audit function is regarded as an important component of governance (IIA, 2002).

Data from the qualitative interviews were also supported by archival data. This included information on the universities organizational structure, strategic plans and internationalization strategies and activities obtained from university provided documents and their websites.
Data Collection and Analysis

Rationale for a Qualitative Approach

This study essentially sought to surface views as to whether globalization is a feature of all Australian public universities, and if so, its impact on university governance processes. As such, a qualitative approach involving unstructured one to one in-depth interviews was deemed most appropriate for such studies (Taylor and Bogdan, 1984, 1998). It was established that such an approach was effective as it created an environment where participants would likely express their perceptions more openly and frankly.

All interviewees were promised anonymity. The names of interviewees or their respective organizations are therefore not identified in this paper. They are instead, identified by the initials of their designation and the numerical sequence of the university in each country.

Interview Process and Analysis of Qualitative Data

The question as to whether globalization is an important influencing force on the development and implementation of university governance processes, and if so how, was asked in an open-ended fashion following a conversational style (Maykut and Morehouse, 1994). This process facilitated other probing questions such as the extent of the influence, any other contributing factors that contributed to the impact and the types of governance mechanisms and processes impacted. Interviewees were interviewed for an hour at their worksites and were recorded by tape. The interviews were continued until saturation of data was achieved (Straus and Corbin, 1998).

The data acquired in the interviews were analyzed in accordance to established procedures (Miles & Huberman, 1994). It commenced with transcribing the raw data from interview tapes. The raw transcripts were thereafter summarized and analyzed thematically (Miles and Huberman, 1994). This began with a coding process using the “open coding” technique (Strauss and Corbin, 1998). The whole process of coding, pattern matching etc. was facilitated by utilizing the NVivo software package.

Limitations to the Study

The qualitative results were based on self-reported perceptions of vice chancellors and 2nd tier senior management on specific areas they were responsible for. This could have the effect of respondents being bias and providing a desirable outcome. While the above limitation exists, it has been minimised by verifying the information separately. This is especially with the independent authentication of the views by chief audit executives of universities through both a qualitative and quantitative process.

Analysis of Results

Three common themes surfaced from the interviews with vice chancellors. These common themes were supported by 2nd tier management staff and authenticated by chief audit executives interviewed. Each of the three themes is supported by the following analysis and discussion. The analysis is illustrated with quotes from the interviewees where appropriate to strengthen the reliability and representativeness of the results.
1st Theme-Important Influence on Governance Arising as a Result of need to be Globally Competitive and Seek Alternative Source of Funding

All vice chancellors were of the common view that Australian public universities are operating in very competitive markets within their own states, nationally and internationally. They regarded internationalization as a major influencing factor on their governance paradigm and they needed to manage it efficiently. The main driving force behind this influence was described as the need to be internationally competitive to attract good students, staff and research grants. This underlying driving force in universities was best expressed through the comments of VC of U6, which reflected the common sentiments of all vice chancellors: “...the only measure that you measure yourself against in teaching and research is international. Ultimately it’s really your comparative to international groups, which is the only thing that counts. The competition and its influence on governance relate to not only international students, it is also for staff and research income. It seems to me the whole international dimension has got this unbelievable competitive element. I don’t see that as any different from any other business. Unless you’ve got a focus on where your competition is internationally then frankly you’re not in the top level.”

Other vice chancellors provided a broader perspective on internationalization and its main characteristic, competition. This was described as impacting on university governance from an external and an internal perspective. VC of U4 expressed this common sentiment: “We compete domestically and internationally in what is becoming a market, and that’s a major issue beyond our control. From an external perspective, it’s the competition, it’s those trends. I include in that general notion, the global trends, changes in ICT, changes in demographics of population, age of working force, labor market priorities, those sorts of characteristics which we have to shape our mission around. From an internal perspective we need to manage these influences and trends.”

All 2nd tier university managers also confirmed the views of vice chancellors. The US of U1 expressed the common sentiment of all 2nd tier managers on the need to be globally competitive to succeed internationally and how it impacted on governance: “There are changes occurring within the higher education sector generally both within Australia and overseas. All of those things have a huge impact in terms of decisions that a university needs to take in terms of its future, and an important aspect of this is a need to be competitive globally.”

There was also the consensus that universities already heavily involved in research and a regular source for international students had to maintain a global outlook and be competitive to maintain its position. The US of U2 in confirming that U2 was in this position provided further information as to why U2 had to be globally competitive: “Clearly as a large university with eighteen per cent of our students from outside Australia we have to have a global outlook. A major research university also needs to be internationally insightful anyway. We’re competing in that sense for international students. In some senses we’re competing with other universities around the world. Our major markets are in South East Asia. The United States and the United Kingdom are also targeting students from South East Asia. As such we’ve certainly got to be competitive.”

Another driving force behind the need for Australian public universities to be international in its operations and be globally competitive was described by vice chancellors and 2nd tier senior managers as governmental intervention. It was explained that through the Dawkins
reforms in 1989 which saw an amalgamation of universities and other institutes of higher education, universities have been influenced by new public management (NPM) and corporate management principles. In addition, universities were faced with reduced funding from the government through other governmental reforms. This meant that universities had to operate efficiently and effectively in line with corporate management governance processes. Faced with reduced funding from the government, an outcome of the corporate management approach was an aggressive internationalization policy to seek alternative sources of funding for their operations. To this end most Australian public universities have embarked on an internationalization program to recruit offshore students and invest in offshore campuses and programs. VC of U9 expressed the common sentiment of vice chancellors and 2nd tier managers as to the impact of this influence: “The need to diversify our funding base requires us to cater to full fee paying international students. We have eight thousand international students out of a total of about thirty-five thousand students.”

All CAEs interviewed authenticated the views of vice chancellors and 2nd tier managers. The following CAEs expressed the common sentiment of all CAEs on this theme. The CAE of U11 stated: “We now get less than half of our funding from the government. They are one contributor. It’s the fee-paying students both international and onshore as the other main contributor. The other commercial activities that we obviously engage in drive a significant portion of our income as well. So each of those markets imposes their own constraints in terms of how many international students we are able to attract both onshore and offshore, how many fee-paying students we’re able to attract. They’re all individual markets that impose their own constraints.”

2nd Theme—Internationalization and Global Competition Impacts on Governance Mechanisms and Processes to be Developed and Implemented

All vice chancellors were of the view that the impact of globalization and the consequent need to be globally competitive influenced the shape of the university and how it operated. They described decisions made as a result of addressing internationalization and global competition issues as impacting its scope and nature of its governance framework. The VC of U9 expressed the common sentiment of vice chancellors that the most important governance mechanism impacted was the composition of council members. It was suggested that council had to be equipped with some appropriate skilled members to address the efficient and effective operation of activities pertaining to internationalization: “The whole process surrounding internationalization and global competition impact on university governance complicates the constituency of councils. It mainly implies that some members of councils are required to have significant international expertise.”

It was suggested that council had a dual role. It was not only important for council through an appropriate composition of members to ensure strategic directions for internationalization are developed but it was also important for them to manage such strategic directions underpinned by the different needs of multiple stakeholders. Interviewees further suggested that universities were influenced by governmental policies to adopt a more business like or corporate approach. This corporate approach practiced by universities had an impact on the management of internationalization through the development and implementation of more corporate type governance processes to remain competitive. The aim behind these corporate operational processes was to operate efficiently and generate more income through reduced
costs. The ED of U1 elaborated on this common sentiment towards corporatization of its governance processes: “Well, you’d be aware of course that universities are operating in a much more competitive environment than before. They are functioning much more like conventional corporations than they ever did before. As a result of the reduction of government funding, they have been obliged to develop their own income streams to the point where non-government sources of income these days are probably greater than government sources of income. I believe that’s the case at our University. That dependence on commercial income has necessitated that the universities behave and acquire the practices of and the attributes of commercial enterprises because they’re competing with commercial enterprises as well as with each other to secure that non-government income.”

An important governance process highlighted by the interviewees as being linked to the corporate management approach was strategic planning. In this respect, the CBE of U7 indicated that the strategic planning process for internationalization of activities was important in addressing global competition and linked it to the setting up of an international office and structure in line with the university’s goal towards internationalization. At an operational level, strategic planning was further refined and acted upon by the head of the international office, ensuring that all stakeholder needs are met through an appropriate strategic plan: “We have an international department and they actually go out there and source international students, managing foreign student agencies in different countries. They also look at the international strategy not only on how we compete with other local universities for international students but also how we rank globally. How do we compete with universities in Canada and the States for South East Asian students, for example? Also the competing forces within those local countries. China... there’s a lot of Chinese students from mainland China but the way they’ve invested in education etc means that it may be more difficult for us to attract Chinese students, which is a major part of our income. Not only that. We also source bright research students as well, who would be the future PhDs... teachers here.”

VC of U6 provided similar comments on the wider impact of global competition on operational processes. This related to the development of an international strategic plan through council and the operations of it through an appropriate delegated senior portfolio through an international office. It was suggested that operationally, the concept of globalization and its exploitation through internationalization permeated research and teaching processes at various governance levels through the implementation of the internationalization strategic plan: “In respect of teaching and research, we created a DVC international and we created an international office and it’s been very successful. The operations have inevitably influenced the control processes in place. It has permeated all existing processes to ensure the whole spectrum of operations pertaining to internationalization is embedded in the control processes. The competition and its influence on governance relates to not only international students, it is for staff, for research comparatives, as potential research income and it’s going to be there in terms of modes of delivery. You’ve seen South Australia subsidizing Carnegie and University College to come to Adelaide. You can see it at that level where people are looking to locate themselves around the world. Then of course you’ve got the modes of delivery. Although internet delivery has not caught on in the bulk way that I think some people envisaged, it’s clearly starting to influence a whole lot of things. One of the changes I’m interested in here is I want internationalization to permeate everything. I want our undergraduates to go overseas more or have the option of doing that anyway...a semester abroad.”
Interviewees also indicated that the extent of operationalizing the activities was limited
to resources available. To this end they suggested that budgeting was an important governance
process as it provided information on the resources available. This in turn provided informa-
tion as to the extent of the strategic vision that could be realized. Other governance processes
identified flow on from this link of the budget to the strategic planning process and included
the performance management and financial/management reporting governance processes.
It was suggested that these additional processes assisted towards motivating the success of
the operations and monitoring the progress made against the strategies operationalized. VC
of U8 expressed the common sentiment of having appropriate budgeted resources as an initial
criterion in this range of planning, motivating and monitoring governance processes. It was
suggested that it provided the means to be competitive internationally: “My university does
have a substantial endowment but we are not adequately well resourced compared to the
institutions we compete with. We are competing with Australian universities, but we also
want to compete overseas. We want to be internationally excellent.”

Interviewees also indicated that marketing was another important process in the globaliza-
tion of activities. Universities needed to differentiate their courses to compete with other
universities for international students through an appropriate marketing process. VC of U5
expressed this common view: “I think that competition amongst universities is a driving
factor at the moment and you really have to differentiate your product and you have to know
what you offer verses what other people offer. And you have to get that message out to stu-
dents in order to attract enrolments from local and international students.”

A further important process identified as necessary to being globally competitive was the
provision of quality services. VC of U3 provided some insights as to quality assurance pro-
cesses relative to operationally running their courses and indicated obtaining accreditation
was an important outcome of the quality process: “We try to have all of our courses not only
accredited in Australia but internationally because your graduates go everywhere. So in
business our courses are accredited with the relevant bodies in America, Britain and Europe.”

Another governance process synonymous with the corporate sector identified by inter-
viewees as important for managing internationalization was risk management. This process
assisted towards identifying and managing risk. It was suggested that adequate risk manage-
ment policies and procedures should be in place to prevent losses through activities relative
to globalization. Interviewees indicated that universities were susceptible to things like the
recent Asian flu epidemic, racial tensions, political tensions between governments of countries
and the financial crisis. These influences, it was argued, had an impact on offshore recruit-
ment. The VC of U2 expressed this common sentiment: “International student issues are a
dangerous, big risk issue in terms of quality. I would not want to be a vice chancellor of a
university with thirty-five or forty per cent of the students from international sources. I think
that’s too dangerous. If someone sneezes in Asia or East Asia you mightn’t have any students
tomorrow.”

The CAE of U10 further elaborated on other non-controllable factors occurring in the
world economy that impacted on the income from international student enrolments and was
a risk that needs to be managed: “The strength of the dollar has got enormous effect on us
because we’ve got so many international students. Politicians open their mouth negatively
about China and the next moment we have ten per cent less Chinese students. The university
has become so international that a lot of international factors have an impact on... even the
housing problems in the United States and the flow-on into the banking system here has an effect on the university. People have less money.”

The final governance process identified by interviewees as important in the management of globalization was internal audit. It was suggested that such a process was important as it provided regular feedback to council and senior management from an independent source as to whether the governance processes were operating efficiently and effectively.

3rd Theme-Impact Varies with Universities based on their Strategic Priorities towards Internationalization

The interviewees, while confirming the need to be globally competitive and the impact it had on governance mechanisms and processes to be developed and implemented, suggested that the level of impact varied with universities. There was general consensus that there was a relationship between the strategic directions of universities towards globalization and the level of impact. This depended on how universities reacted towards globalization as an influencing force and also the governmental reforms that reduced governmental funding. VC of U7 (regional university), suggested that internationalization was not a priority in their university. Their strategic aim was mainly towards meeting the needs of their students within their region and the government funded their university for this purpose: “Our enabling act says that we are a university that will provide the highest quality of teaching and research opportunities, beginning with the people in our region. Our region has got nearly two million people and we only get about thirty per cent of students from our region coming to our university which means seventy per cent are not from our region. We could not do a thing about global competition and fill our quota and get our students in and that would be fine. Global competition as yet hasn’t hit us. It will in time.”

On the other hand, some universities reported a very high reliance on offshore income in comparison to the others. The CAE of U1 provided an example of a very high reliance by his university on offshore income. This reliance is consequently reflected in the university’s strategic direction as a high priority: “…a quarter of our income comes from international students. It is nearly a $500 mil a year business. We need to support 3,000 employees and 40,000 students. Other than governmental funding we depend on this extra income to operate the university on a day to day basis.”

Other than the overarching influence of strategic priorities dictated by the impact of the different needs of globalization and reaction to governmental policies, universities identified other influencing forces as shaping their governance paradigm. This includes the different levels of impact of the collegial and autonomous culture within a university. This culture was described as being in tension with the corporate culture and that the tension varied. It was strong in older universities where collegiality and autonomy was still strong. There was less tension in newer universities, which had adopted governance processes more in line with the corporate approach since its inception.

A further influencing force related to the different levels of legislative and policy directions of the State in which the university geographically resided. Australian public universities, which are influenced by its main stakeholder, the Commonwealth Government, are also subject to the different needs of their respective State Governments.

A final influencing force identified related to the different levels of internal management culture within universities. Traditionally universities were resourced with public sector ori-
ent employees. The rate of professionalizing such staff to a corporate approach to man-
agement and operations varies with universities. It was suggested that these different wider in-
fluencing forces were factors to also take into account in explaining the different levels of
development and implementation of governance mechanisms and processes within each
university.

Conclusion and Discussion of Findings

The results of the study have suggested that while Australian public universities are influenced
by globalization, its true impact on its governance paradigm differs between universities.
This is because the impact of globalization on Australian public universities is further influ-
enced by a set of common wider influencing forces that impacts on each university differently.

In confirming the impact of globalization, interviewees acknowledged that there was an
overwhelming need to be globally competitive to maintain an edge over other universities
and to attract the best teaching and research staff and students. This, overarching desire to
be globally competitive was further reinforced by policy reforms of the Commonwealth
Government, the university’s main stakeholder. It was suggested by interviewees, that since
the 1980’s (through the Dawkins Reforms) successive Governments had introduced a program
of economic rationalization that included the application for competitive market principles
and reduced funding to universities. Under these reforms universities were forced to seek
more international students for the purposes of expanding their funding base. The government
funding cuts to Australian public universities had put pressure on universities to adapt a
market and corporate orientation towards teaching, research and the administration of these
activities.

It was suggested by interviewees that the market and corporate orientation had to be bal-
anced with the universities’ inherent collegial and public sector management approach as
the university was still accountable to a varied set of other stakeholders. These included its
academics who are influenced by collegiality and autonomy and the wider community to
whom universities as public sector agencies are also accountable. In relation to its impact
on the governance mechanisms and processes, this scenario required a focus on agency ori-
tented monitoring and extrinsic reward type of controls (associated with the corporate culture)
to be balanced with stewardship theory oriented empowering and intrinsic type of controls
(associated with the collegial and autonomous culture of academics).

Other influencing forces identified by interviewees that shaped the level of governance
mechanisms and processes applicable to each university were State Government policy di-
rectives, and the internal management culture. It was suggested that these forces together
with the impact of collegial managerialism were different at each university, resulting in
different levels of development and implementation of corporate type governance mechanisms
and processes.

In identifying the specific governance mechanisms and processes impacted on by global-
ization, interviewees had indicated that at the board level the corporate culture had altered
the composition and constitution of council members by requiring a representation from
members with strong international expertise. It was suggested by interviewees that such a
‘resource capital’ within council was necessary towards strategically directing and monitoring
their global activities.
At the operational level of governance, interviewees suggested that universities had to adopt a controlled business/corporate approach towards their internationalization activities to realize the benefits of increased income though controlled expenditure. Such a corporate approach involved the adoption of governance processes from the private sector such as strategic planning, budgeting, marketing, performance management, financial and management reporting.

Universities as a result of their increased accountability requirements were also forced to ensure appropriate quality and monitoring processes were in place at the assurance governance level. In this respect, universities have adopted corporate processes such as quality assurance, risk management, and internal audit. Risk management was particularly identified as a new governance process to be implemented, as it provided council members with the assurance that risks associated with global activities were identified and managed.

The theoretical implications of the findings support a multi-theoretical approach to governance to facilitate the identification of an organization's wider influencing forces under an environment of globalization as it has an impact on the governance paradigm. The practical implications provide for the development and implementation of appropriate governance mechanisms and processes to address the wider contractual obligations resulting from globalization.

The findings provide avenues for further research to confirm the theoretical proposition that globalization is due to a series of other influencing forces unique to an industry sector and that it collectively impacts on the governance paradigm of an organization.
References


Davis, G. F. (2005), New Directions in Corporate Governance, Annual Review of Sociology, 31 (1), 143–162.


About the Author

Dr. Joseph Christopher

Dr. Joe Christopher is a Senior Lecturer in Auditing, Governance and Ethics at the School of Accounting, Curtin University of Technology, Western Australia. He comes from a background as an Internal Audit Practitioner and has spent a considerable period in the private and university sector prior to embarking in an academic career. His research interests are in the area of governance and internal auditing. Joe has presented research papers in numerous international and national accounting conferences on topics of internal audit and governance. He has published articles in quality journals such as Accounting, Auditing and Accountability Journal, Critical Perspectives of Accounting and Managerial Auditing Journal.
Editors
Jan Nederveen Pieterse, University of California, Santa Barbara, USA.
Bill Cope, University of Illinois, Urbana-Champaign, USA.

Editorial Advisory Board
Jin-Ho Jang, Institute for Social Development and Policy Research,
Seoul National University, Seoul, South Korea.
Lena Jayyusi, Zayed University, Abu Dhabi, United Arab Emirates.
Mark Juergensmeyer, University of California, Santa Barbara, USA.
Seung Kuk Kim, Pusan National University, Busan, South Korea.
Habibul Haque Khondker, Zayed University, Abu Dhabi, United Arab Emirates.
Iain Donald MacPherson, University of Calgary, Calgary, Canada.
Bhikhu Parekh, University of Hull, Hull, UK; Member, House of Lords, UK.
Thomas Pogge, Columbia University, New York, USA.
Jan Nederveen Pieterse, University of California, Santa Barbara, USA.
Timothy Shaw, University of the West Indies, St. Augustine, Trinidad.
Manfred B. Steger, RMIT University, Melbourne, Australia.
Gustavo Lins Ribeiro, Instituto de Ciências Sociais, Universidade de Brasília,
Brasília, Brazil.
Fazal Rizvi, University of Illinois, Urbana-Champaign, USA.

Please visit the Journal website at http://www.GlobalStudiesJournal.com
for further information about the Journal or to subscribe.
The Global Studies Community
This knowledge community is brought together by a common interest in the dynamics of globalization in the world today. The community interacts through innovative, annual face-to-face conference interactions, as well as year-round virtual relationships in a weblog, peer reviewed journal and book imprint – exploring the affordances of the new digital media. Members of this knowledge community include academics, policy makers, public administrators, members of non-government organisations, educators and research students.

Conference
Members of the the Global Studies community meet at the Global Studies Conference, held annually in different locations around the world, each selected for its particular place in the dynamics of globalization. The inaugural Conference was held at the University of Illinois, Chicago in 2008; in 2009, the Conference was held at Zayed University, Dubai, United Arab Emirates and in 2010, the Conference was held at Pusan National University, Busan, South Korea. In 2011, the Conference was held at JW Marriot, Rio De Janeiro, Brazil and in 2012, the Conference will be held at Moscow State University, Moscow, Russia.

Those unable to attend the Conference may opt for virtual participation, in which community members can submit a video and/or slide presentation with voice-over, or simply submit a paper for peer review and possible publication in the Journal.

Online presentations can be viewed on YouTube.

Publishing
The Global Studies community enables members to publish through three media. First, by participating in the Global Studies Conference, members can enter a world of journal publication unlike the traditional academic publishing forums – a result of the responsive, non-hierarchical and constructive nature of the peer review process. The Global Studies Journal provides a framework for double-blind peer review, enabling authors to publish into an academic journal of the highest standard.

The second publication medium is through the book series On Globalization, publishing cutting edge books in print and electronic formats. Publication proposals and manuscript submissions are welcome.

The third major publishing medium is our news blog, constantly publishing short news updates from the Global Studies Community, as well as major developments in globalization issues. You can also join this conversation at Facebook and Twitter or subscribe to our email Newsletter.
<table>
<thead>
<tr>
<th>AGING</th>
<th>ARTS</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>BOOK</th>
<th>CLIMATE CHANGE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>CONSTRUCTED ENVIRONMENT</th>
<th>DESIGN</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DIVERSITY</th>
<th>FOOD</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>GLOBAL STUDIES</th>
<th>HEALTH</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>HUMANITIES</th>
<th>IMAGE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>LEARNING</th>
<th>MANAGEMENT</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>MUSEUM</th>
<th>RELIGION AND SPIRITUALITY</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SCIENCE IN SOCIETY</th>
<th>SOCIAL SCIENCES</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SPACES AND FLOWS</th>
<th>SPORT AND SOCIETY</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SUSTAINABILITY</th>
<th>TECHNOLOGY</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>UBIQUITOUS LEARNING</th>
<th>UNIVERSITIES</th>
</tr>
</thead>
</table>

For subscription information please contact subscriptions@commongroundpublishing.com