



Beyond Compliance: the impact of regulation on institutional governance, culture, and values

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Changes & challenges – short term

- # Value for money
- # Access and participation
- # Student choice
- # Competition and market failure
- # Changing provider landscape
- # VC and senior executive pay
- # Freedom of speech/culture wars
- # Performance measurement: Subject TEF, REF, KEF

Changes & challenges – medium term

- # Student demographics
- # Changing demand
- # Skills & industrial strategy
- # Brexit
- # International markets



Changes and challenges – long term

- # The Fourth Industrial Revolution
- # Liquid skills
- # Enterprise Nation
- # Fluid life stages



HE has a proven capacity to endure, but...

- # HE a household and political issue
- # Loss of deference to expertise & rise of anti-intellectualism
- # Technology gives access to knowledge and skills
- # Prioritisation of vocational and technical skills
- # Increased state intervention through regulation



The governance challenge

REGULATION

Principles, laws and rules designed to govern and control conduct:

- Reactive
- Detailed
- Prescriptive

STRATEGY

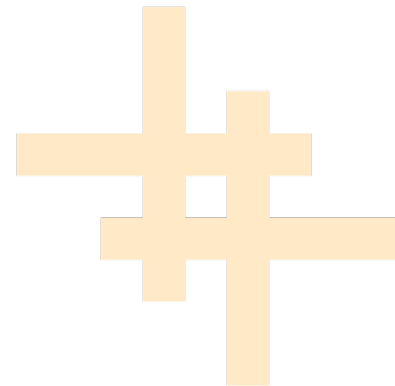
A plan of action designed to achieve a long term or overall aim

- Proactive
- High level
- Facilitative



The emerging regulatory environment

- # OfS duties discharged through scheme of registration and conditions of registration
- # General & specific conditions of registration
- # OfS monitors compliance through data, self-reporting and complaints/whistleblowing
- # Sanctions for breach of conditions:
 - Fines
 - Suspension
 - De-registration
 - Loss of access to student support and funding
 - Loss of university title



Regulatory approach

Regulatory shifts:

- *Principle - from “can we do this” to “should we do this”?*
- *Ethics – trust-based regulation*
- *Focus - from compliance activity to compliance culture*
- *Goals – from inputs to outputs to outcomes*
- *Expectation – compliance should be built in, not bolted on*

What does this mean for institutional culture?



The current regulatory context

- # Different approaches to teaching and research
- # Diminishing public trust and confidence in universities
- # Increased political interference
- # Increased regulation generally
- # Problems for a sector defined by management autonomy
- # Potential for “defensive self-regulation”



What attributes do universities need?

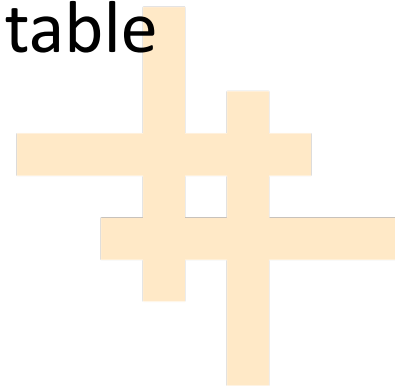
- # Firm anchorage in shared purpose and values
- # Distinctiveness
- # Resilience
- # Adaptability
- # Fleetness of foot

Headroom and capacity issues abound!



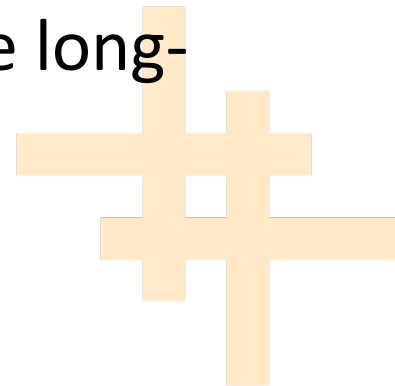
How should institutions respond?

- # Earn the right to independence – be trusted
- # Communicate value – be relevant
- # Promote the purpose and importance of rigorous methods of enquiry, experimentation and debate in a post-truth world – a 21st Century Enlightenment
- # Build alliances – be accessible and accountable



What should the governance response be?

- # Institutional values and culture – more scope for difference
- # Do our governance arrangements add value? Are they well-managed?
- # Understand accountabilities – within and without
- # Be transparent: knowledge > influence > reward
- # Be one step ahead of the regulator and be long-sighted



Questions?