

ORGANIZATIONAL STRUCTURE AND PERFORMANCE – A PREDICTIVE STUDY ON THE TRANSFORMATION OF THE ROMANIAN PUBLIC UNIVERSITIES

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Abstract: *An administrative restructuring of universities is considered to be necessary for improving the performance of Romanian higher education. Broadly speaking, a positive impact is expected due to the augmentation of organizational entities, the “best tool” being the department. The present study assesses the possibility of positive expected trend in performance, analyzing the causal relation between organizational structure and performance. The deductive analysis uses some referential theoretic works and also some empirical well-known evidence from the Western private and public sector.*

Key words: *organizational structure, university, performance, department.*

1. Introduction

In many European states, the current economic crisis has fostered the public pressure for an economically based restructuring of large institutional sectors. The materialization of this pressure is represented by the requirement to diminish the expenses of the public sector.

In several states with emerging economies, the concern related to the reorganization of the public sector, specific to the new public management, has been augmented by the interest of the political power to generate control structures able to include the institutions which enjoyed a relative autonomy, as, for instance, the public university.

The fact that Romania belongs to this category of states also simplifies the discussion in the present study, a discussion related to the causes of the

restructuring process involving certain Romanian institutions.

The study is interested in the possible consequences of certain correlations between the organizational structure and the performance in the Romanian context of the current institutional changes. In this manner, the university appears as an object of study, representing an institution of the public sector with a set of particular manifestations for the concepts of reference, namely the organizational structure and the performance. These manifestations have a higher degree of complexity as compared with the profit-oriented organizations that represent the typical population involved in the organizational studies. The logical implication is that the incidence of the correlations structure-performance assumed by the current moment theory is

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less than probable, a fact that would lead to a high level of caution in using a new organizational design of the Romanian university.

2. Usual correlations

The managerial practice has placed the two elements, the structure of the organization and the performance, in a direct relationship implicitly tested due to a significant number of achievements, starting from the ancient times. The historical experience shows that the organizational structures which were well defined by referring to certain variables “deciphered” by the current theory, have induced superior performance, materialized in observable consequences, especially in the lifespan of the organization.

Beyond these qualitative evaluations related to past achievements, during the last century, the discussions became more clearly focused on adjacent aspects, from the definition of concepts and the research methodology of correlation, to the analysis of the possibility to generalize the results. This last aspect becomes markedly important, if one takes into account the problem of modelling the structure on the basis of conclusions related to the previous empirical research.

If only the functionality of the organization is taken into account, the organizational structure can rely on the experiences of any type of organization. The specialized literature mentions hundreds of studies referring to the structure, without the hope of finding “one best way”. Three decades ago, Van Fleet and Bedeian (1977) takes into account almost 400 studies concluding that one cannot identify a certain formula on which an “ideal form” of the structure may be created.

After 1900, especially during the fifties and the sixties, the studies related to the

structure have focused on the profit-oriented organizations. In these studies, the discussions related to performance are oversimplified, the performance being associated to the creation of economic value.

A relative convergence of ideas existed also in the theory related to the organizational structure, in the context related to the existence of this landmark. Pugh and Hickson (1976) synthesize certain organizational research on the determinants of structure, namely the research developed during the previous decades within the framework of the so-called program Aston. Child (1972) or Mintzberg (1979) have well defined approaches on the correlation structure-performance but, the list may include other names as, for instance, the referential practitioners Sloan (1963) or Fayol (1916). For a larger class of organizations, which includes also the public ones, the research has offered a relative divergence of the conclusions, even if one can observe significant contributions, as, for instance, Weber (1947) or Jaques (1956, 1976), without excluding the references presented above.

Even if the university has got the experience of a hundred years, the discussions related to the performance of this institution are still topical and are able to generate a high amount of controversy. For instance, the Shanghai top of universities, even if largely accepted is still creating disputes and few reliable references are available on its impact on the decisions of the universities related to their structure design.

Related to the present structure of the university, a succinct analysis shows a variety of structural forms, which are differentiated mainly in the upper part, according to the ownership, but especially to the management model chosen. As an example, the United States of America are

characterized by a multitude of organizations. The majority of the organizations have chosen a structure inspired by the Yale and Princeton colleges, which take after the University of Edinburgh (Kast and Rosenweig, 1974). Other formal structures are focused on creating a peer authority with forms resembling the Romanian ones.

In Western Europe, even if the government's involvement is stronger, the academic freedom is considered a defining characteristic of the institution and, consequently, the materialization of the formal structure of a certain university leads to a variety of forms.

During the last three decades, a theoretic convergence of discussions related to the structure of the universities has eventually become visible. The discussions mentioned evolve around the concepts of matrix structure and professional bureaucracy. At the same time, complexity is assumed as a defining attribute both for the environment and for the organization belonging to the university. It is also almost unanimously accepted that the essential role in any kind of structure is assumed by the so-called "professional". The matrix structure supposes a dual command system, within which the professional has to cope simultaneously with the conditions imposed by the program/product manager and by the administrative manager – the department manager or the dean.

The professional bureaucracy represents a type of bureaucracy based on the skills standardization. It supposes a high degree of work independence and a proper modelling of the forms, structured in order to obtain the needed results. One should take into account the observation made by Etzioni (1964) that within these bureaucracies the staff-line relationship shows an authority shift towards the basis consisting of professionals, the administrators assuming a secondary role.

Even by choosing certain sparse elements related to empirical ideas or pieces of research related to the concepts of "university performance" and "university organizational structure", one can ascertain the fact that "one best way" is inexistent for each concept and also for the correlation in discussion. That is why the sibylline recommendation of Drucker (1974), "the right answer is whatever structure enables people to perform and contribute" suggests keeping a certain flexibility of the approach and avoiding any magic formula, which is deceiving due to the false expectations it generates. More practically, the public policies related to the superior education in the developed countries are built in order to generate stability and predictability. The great majority of the governments of these countries cautiously limit their authoritarian tendencies to involve in an administrative manner in modelling universities. They strive to create a stimulating environment for improving the social role of this institution.

3. Methodology

The study of a possible correlation between the organizational structure and the performance for the Romanian universities under the impact of the changes implied by the current legislative changes from 2011 will have a deductive character. The study will rely on comparing the current Romanian situations and projections with examples and results/conclusions of certain empirical studies regarding the universities from other countries.

On the one hand, this option to realize the comparison is justified by the fact that the institutional transformation in Romania needs to be fast and comprehensive, without experimentation, and on the other hand, the inspiration source is certainly of western origin.

The sense of the immediate evolution of the main parameters of the university organizational structure under the impact of regulations will be studied, and then the effect on the institutional results will be assessed using the landmarks provided by the references belonging to the mentioned type. In parallel, an assessment of the relevance of results mentioned will be undertaken for the presumed mission of the universities. Finally, an “effect” is synthesized in a deductive manner, which will be translated into a qualitative prediction of positive or negative sense related to the functioning of the universities.

4. Facts

The changes in the structures of the Romanian universities seem to be a “mechanic process” of compliance with a new law of education and especially to a new series of administrative regulations imposed by the ministry. Both the law, imposed without being discussed in the parliament and ignoring the criticisms formulated by the national council of rectors, and the ministerial regulations associated to the law exhibit “grey areas”. The grey zones are related to the role and the functions of collective decision makers, as for instance the senate or the board of trustees, and to their manner of interaction with the ministry of education.

Within this legal context, the ministry, using the mechanisms of budgetary allocation, exerts pressure in order “to simplify” the form of the organizational structure related to the university. The simplification would result from the introduction of the department as a basic entity in the organization of the university. The department is to replace the structure labelled as “chair”.

The designed change needs to be researched taking into account the correlation between the dimension of the

department and the creativity. According to the expectations of the ministry, the department should have a dimension superior to the chair in order to improve its capacity of research. However, a significant number of examples from the business world can be given - as for instance Apple, 3M, or the Japanese experiments related to semiconductors - where small scale companies showed a higher degree of performance. If the performance of the universities is analysed in connection with their dimension, the results are questionable and eventually irrelevant. In parallel, a discussion related to the relevance of the quantity of intellectual “products” (Mintzberg, 2004) has appeared in order to clarify the dilemma dealing with the correlation dimension-performance.

If the complexity of structures is taken into account, in the sense given by Aiken and Hage (1968), creating a smaller number of departments instead of a greater number of chairs would trigger the diminution of the complexity. Supposing that this fact improved the research creativity and that the augmentation of the compartment dimension had the same effect on the Romanian universities, then the dilemmas created due to the comparison with other universities would increase. The great western universities - even if they formally consist of great dimension compartments - use structures that are more complex than the Romanian ones, and the companies dealing with research projects involve matrix structures, sometimes with three or four managers interfering for one employee.

The augmentation of the compartment dimension may jeopardize the possibility of a skill-based coordination (Mintzberg, 1983), due to the fact that the heterogeneity of the competences will increase when several chairs merge. On the other hand, the matrix character of the

structure associated to the educational process will be the same. By corroborating the two aspects, the conclusion is that the new structure will not generate an easier management.

If we take also into account the fact that the current regulations, especially the so-called law of unitary retribution, diminish the possibility of a differentiated retribution according to the performance, then one can ascertain that modelling the results of the new basic entity will be accomplished in better conditions.

It seems that the departments will be assessed according to the scientific “production” as a whole, materialized in articles of international circulation, especially in articles belonging to the ISI type. If this amount of production serves to a comparison to the automobile manufacturing the upsizing of the departments seems to have sense in the domain of plain logic. However, no one can be sure that the augmentation of the departments and especially the label transformation would trigger a synergic effect, at least at the quantitative level.

If the deductive reasoning goes on for the entity labelled as “faculty”, in the case of a size increase triggered by merging more entities belonging to this type within a Romanian university, the previous problems and the dilemmas related to the expected beneficial effect will stay the same and even develop. The negative effect caused by the heterogeneity of the professional bureaucracy and by the elimination of certain instruments of horizontal coordination will be emphasized due to a relative over-amplification of the faculty apex, namely related to the dean and the vice-deans.

A number of problems related to the distribution of the authority will exist apart from the problems caused by the tendency involved in the structural design of the university. The current peer pattern of

distributing the power in the Romanian university needs to be replaced by a pattern of corporate inspiration. However, this new Romanian pattern is not at all coherent because a part of the executives are empowered by the equal vote of the professionals, as others are allowed by an act of authority issued by the higher level executives. The law does not clarify the nature of the authority sources and the current type of financing used in Romania emphasizes the equivocal state of authority. The matching of the envisaged authority mix with the existing cultural model is indeed problematic, because the existing state of facts represents a reaction avoiding the political involvement of the state, used during the communist era. However, the power of the administrators increases due to the new authority formula, a fact that questions the observations of Etzioni (1964).

It should be also taken into account that the change of a formal structure will also have a major effect on the informal structures. The ministry considers as appropriate to fight against the so-called university clans formed on the basis of family relations, a fact justified by the current theories, starting from Weber’s point of view. Negative effects may occur in relation with the quality of other informal relations apart from the goal mentioned, due to the lack of coherent landmarks related to the “gradual” transformation, a formal “step” imposed by the central administration.

5. Conclusions

Being in motion, the structural transformations of the Romanian universities rely on a fragile and brittle theoretical basis. The comparison with western private and public institutions, for which studies and management research have been developed, offers an insignificant number of points, unable to

provide hope for positive effects. Both for the companies and for the public organizations, the relation between the augmentation of the organizational entity dimension and the improvement of performance, supposing the performance is well defined, is open to interpretation. However, there is a tendency of downsizing the organizations, especially within the public sector. Even if there are many examples of great dimension universities that prove the tendency of increasing the number of students and academics, this fact may be not taken into account as a reason for the Romanian tendency or as a proof that the new pattern will be better than the old one.

From the point of view given by the law of education, the analysis of other elements that describe the structure of the university - as the complexity or the authority distribution - does not offer enough optimistic reasons on the effects of the imposed modifications.

Finally, it can be stated that the formal transformation of the universities is not likely to have positive effects on their results. The aforementioned transformation is indeed likely to generate a lapse of research and confusion, which will impose the rise of a new “reform”.

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