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# Agreements between the state and higher education institutions – how do they matter for institutional autonomy?

Elisabeth Josefine Lackner 

Department of Education, University of Oslo, Oslo, Norway

## ABSTRACT

Agreements between national public authorities and higher education institutions serve as a governance instrument in many European countries. In Norway, these agreements are currently undergoing change, as the state now invites the institutions to propose their own goals and parameters in the agreements. This study seeks to understand the negotiation process for new agreements and assess how higher education institutions expect the new agreements may affect their institutional autonomy in practice. The methodology includes analysing negotiation documents and interviews with key institutional officials to understand their expectations of the new agreements. The findings indicate that Norwegian higher education institutions have enjoyed both substantive and procedural autonomy during the negotiation process. However, it is anticipated that the new agreements will have a limited impact on institutional autonomy in practice, except for their role in legitimising internal strategic priorities. As a result, this study raises concerns and contributes to a deeper understanding of how agreements between public authorities and higher education institutions serve as instruments for governing higher education.

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## Introduction

Studying institutional autonomy, which refers to the room to maneuver granted to organisations in setting and implementing their goals, is crucial for comprehending how public organisations operate within their defined boundaries (Brunsson and Sahlin-Andersson 2000; Maggetti and Verhoest 2014; Scott 2014). In the European higher education sector, institutional autonomy is a topic of significant political concern and a fundamental concept for studying the governance dynamics between public authorities and higher education institutions (HEIs). Over the past few decades, this relationship has developed two central features that are worth noting (de Boer et al. 2015). Firstly, the autonomy of HEIs is characterised by ambiguity, as national public authorities have simultaneously enhanced formal institutional autonomy while imposing other forms of governance through continuous demands for institutional accountability and reporting (Christensen 2011; Gornitzka and Olsen 2006; Maassen, Gornitzka, and Fumasoli 2017; Olsen 2009). Secondly, formal agreements between the authorities and the institutions have increasingly been employed as instruments to govern HEIs (de Boer and Enders 2017; Elken, Frølich, and Reymert 2016; Gornitzka et al. 2004).

**CONTACT** Elisabeth Josefine Lackner  e.j.lackner@iped.uio.no  Department of Education, University of Oslo, Postboks 1092 Blindern, 0317 Oslo, Norway

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However, the relationship between institutional autonomy and agreements is seldom explored in the field of higher education.

Formal agreements between public authorities and HEIs, such as development agreements, performance agreements, or contracts, vary across national contexts, including differences in their levels of legal binding and financial implications (de Boer et al. 2015; Jongbloed et al. 2020). The processes leading to agreements, their characteristics, and the expectations they generate, provide insights into how these documents function as governance instruments and impact internal affairs at the institutions. This article focuses on the negotiations leading to new formal development agreements between state authorities and HEIs, shedding light on how agreements may condition institutional autonomy. Additionally, educational quality has developed into a key policy issue in agreements between public authorities and HEIs in many European countries (de Boer et al. 2015; Gornitzka et al. 2004). While authorities and HEIs in these countries often hold diverse interpretations of the preferred pathways to educational quality, there is a recognition that quality in higher education is relative to its institutional and disciplinary contexts. Consequently, there is a gradual shift towards more differentiated agreements tailored to the specific institutions they involve.

Similarly to other OECD countries, Norwegian higher education politics have focused on governance strategies to enhance educational quality. One approach has been to implement development agreements (DAs) between the Ministry of Education and Research (ministry) and individual HEIs (Elken and Borlaug 2020; Hægeland et al. 2015; M.o.E.R. 2021a; 2021c). However, the effectiveness of DAs in achieving sectoral goals, such as educational quality, has consistently been questioned, and the link between DAs and institutional strategies has been deemed weak. As a result, the ministry has announced a revised round of DAs, inviting the HEIs to propose their own goals and parameters for the new agreement term from 2023 to 2026, thereby emphasising differentiated governance and the autonomy of the HEIs in shaping these strategically important documents (Elken and Borlaug 2020; M.o.E.R. 2021a).

This article examines the process of developing the new DAs as part of the governance of the Norwegian higher education sector and investigates how HEIs anticipate that these agreements might bring about internal changes. The research questions are as follows,

- (1) What characterises the autonomy of HEIs in the negotiations for new development agreements between public authorities and HEIs in Norway?
- (2) How are development agreements between public authorities and HEIs in Norway expected to affect institutional autonomy?

To study the characteristics of HEI autonomy in the negotiations for the new agreements, the study employs document analysis for the process leading to the new DAs. To explore institutional expectations regarding the internal effects of the new agreements, interviews with key HEI officials have been conducted. The analysis combines theories on the characteristics of autonomy (Berdahl 1990) and 'living autonomy' (Maassen, Gornitzka, and Fumasoli 2017). Drawing on the common concern of autonomy in organisational theory (Christensen 2019; Scott 2014; Verhoest et al. 2004), the combination of Berdahl and Maassen et al. is placed within a theoretical frame that combines both structural-instrumental and institutional-cultural perspectives (Christensen 2019).

## Agreements in context

Agreements between public authorities and HEIs were introduced to European higher education in the 1980s and have since become part of the national governance systems in many OECD countries, including the Nordic systems (Binderkrantz and Christensen 2009; Degn and Sorensen 2015; Gornitzka et al. 2004; Krüger et al. 2018). While structural reforms have granted increased formal autonomy to HEIs, the agreements have provided a means for public authorities to maintain a level of

control over the institutions while also satisfying the HEIs' needs for institutional autonomy (Elken and Borlaug 2020; Krüger et al. 2018). The features of the agreements vary across countries – some are tied to financing, others are legally binding, and the degree of involvement by national ministries and HEIs in setting goals differ (de Boer et al. 2015; Jongbloed et al. 2020). The stated objectives of these agreements typically include enhancing quality, promoting institutional diversity, and facilitating dialogue between authorities and institutions (de Boer et al. 2015; Elken and Borlaug 2020).

Agreements between the state and HEIs were introduced to the higher education sector in 2015, to contribute to enhance educational quality and institutional diversity (Hægeland et al. 2015; Larsen et al. 2020). The first pilot round of DAs was implemented for five HEIs in 2016, followed by additional five in 2017, and the remaining institutions in 2018. Both the ministry and the HEIs could propose the institutional goals in these DAs and the letters of allocation provided a context for the agreements, outlining national steering parameters. During this period, a majority of Norwegian HEIs also developed long-term strategies for their core academic activities (Elken and Borlaug 2020; Stensaker et al. 2013). In 2020, the DAs were evaluated, and their impact was critically examined in a subsequent white paper on the governance of higher education in Norway (Elken and Borlaug 2020; M.o.E.R. 2021a). These documents raised concerns about the complex and multi-layered governance structure in the higher education sector that the DAs contributed to and their role among other governance instruments. As a result, in 2021, the ministry drafted a framework for the new round of DAs from 2023–2026, announcing that the institutions themselves would have significant freedom to formulate goals and parameters in the new agreements (M.o.E.R. 2021b, 5), signalling increased autonomy for HEIs in developing their respective agreements. Furthermore, to clarify the goal structure and underscore the importance of the DAs in the governance dialogue, the ministry removed the national steering parameters and individual institutional goals that contextualised the agreements in the letters of allocation.

The primary objective of the new Norwegian DAs is stated to be supporting and facilitating institutional efforts to work towards common goals in higher education, such as enhancing educational quality and enabling institutional differentiation and division of labour (M.o.E.R. 2021b, 2). According to the new framework, the DAs should include two to five main goals and approximately 12 subsequent parameters to guide the institutions in achieving their goals. The DAs do not directly link goals or parameters to the financing of HEIs, they are not legally binding and the specific indicators for each parameter are not outlined in the DA, rather they are documented in the annual reports of the respective institutions. The DAs are incorporated into the annual letter of allocation sent by the ministry to the HEIs before each new budget year. Furthermore, all HEIs have developed new long-term strategies either prior to or concurrently with the launch of the new DAs. Appendix 1 provides a description of the negotiating process leading up to the new DAs. Furthermore, the DAs are regarded to be governance instruments alongside with the national regulatory framework, white papers such as the Long-term plan for research and higher education 2019–2028, and the established goals for the sector (M.o.E.R. 2021b; 2021c). Therefore, while there is a notable emphasis on the increased autonomy for HEIs in the development of new DAs, it is important to recognise that these documents are explicitly intended to serve as governance instruments for the institutions that have drafted them. This dual role of DAs as both instruments of governance and autonomy makes Norway an intriguing case for studying agreements between state authorities and HEIs.

## Analytical framework

In the realm of governance, there is a common understanding of a hierarchical relationship between the principal and the agent, wherein the agent is expected to act according to the preferences of the principal (Ansell and Torfing 2016; Dill and Soo 2004). Furthermore, post-liberal ideas of decentralisation of governmental power and the participatory state nuance the hierarchical premise in this relationship by emphasising a dialogue between the authorities and public organisations within

the context of discursive democracy (Ansell and Torfing 2016; Knutsen 2017; Peters 2001). However, although the bilateralism in the partnership between the counterparts is highlighted, the hierarchical governance relationship still persists, such as in the case of the public authorities and HEIs. One key aspect of this relationship is the autonomy of the institution, for instance, the relative liberty of public institutions in relation to the public authorities when they develop and define their core values, goals and procedures (Bach 2016; Olsen 2009).

Autonomy in public organisations refers to their ability to set goals and translate them into action (Bach 2016; Maggetti and Verhoest 2014; Verhoest et al. 2004). Regarding 'university autonomy', it is arguably developed within a political context and can be used by governments to motivate HEIs to perform according to specific political purposes (Neave 1988; Olsen 2009). Where Olsen (2009) explores the distinction between legislative (de jure) and actual (de facto) autonomy of HEIs, with a particular attention to the relationship between autonomy and academic freedom, Berdahl (1990) also reflects on how different types of autonomy provided can condition academic freedom. According to Berdahl, *substantive autonomy* refers to the ability and capacity of a HEI to define its goals, 'the what of academe'. Accordingly, *procedural autonomy* refers to its ability to determine how to pursue those goals, 'the how of academe' (Berdahl 1990, 172). To analyse the characteristics of the institutional autonomy in the negotiations for new agreements between the Norwegian state and HEIs in this study, Berdahl's (1990) distinction between substantive and procedural autonomy is employed. Substantive autonomy is operationalised as the institutional freedom to define goals on educational quality, while procedural autonomy is operationalised as the freedom to determine how these goals are pursued.

When studying the governance of public organisations, such as HEIs, a line can be drawn between structural-instrumental theories, emphasising the logic of consequence, and cultural-institutional theories, focusing on the logic of appropriateness (Christensen 2019; Christensen et al. 2007). Following the institutional perspective, historical developments, rational choices, or normative adaptation can explain institutional change (DiMaggio and Powell 1983; March & Olsen, 1984). However, a common denominator in institutional theory approaches to governance is the attention that is given to whether institutions are able to fulfil the expectations that surround them and whether they manage to gain, uphold and foster internal and external legitimacy (DiMaggio and Powell 1983; March & Olsen, 1984; Olsen 2009). Institutional autonomy depends on perceived legitimacy and changes in governance that may affect institutional autonomy also require legitimacy to be effective. Thus, autonomy and legitimacy are closely connected.

Furthermore, substantive and procedural autonomy (Berdahl 1990) might have different organisational consequences. To study how reforms affect the institutional autonomy internally at the HEIs, Maassen, Gornitzka, and Fumasoli (2017) have identified five dimensions of what they call 'living autonomy', and in this study the dimensions have been operationalised as follows. *Centralisation* refers to the expectation that the new DAs will affect decision-making on educational quality at the central institutional level, for instance, more or less institutional seminars and/or meetings on educational quality. *Formalisation* refers to the expectation that the new DAs will impact the documentation and reporting on educational quality, for instance, more or less files and reports on educational quality. *Standardisation* refers to the expectation that the new DAs will lead to the introduction of new standardised procedures, for instance, 'one-size-fits-all' administrative practices and routines for all study programs. *Legitimation* concerns the expectation of compatibility of the new DAs and the institutional identity and traditions, for instance, more or less congruence with institutional strategies on educational quality. *Flexibility* refers to the expectation that the new DAs will affect how easily the institution adapts to changes, demands, and non-standardised requests in their environments, for instance, by making the institution more or less oriented towards political signals on educational quality.

In this study, to understand the internal consequences of the new DAs, Maassen, Gornitzka, and Fumasoli (2017) framework of five dimensions of 'living autonomy' is combined with Berdahl's (1990) and the mentioned frames of structural-instrumental and cultural-institutional theory (Christensen

2019). Substantive autonomy (the ‘what of the academe’) is associated with legitimisation and flexibility, which are key dimensions in a cultural-institutional perspective. Procedural autonomy (the ‘how of the academe’) is associated with centralisation, formalisation, and standardisation, which are key dimensions in a structural-instrumental perspective.

Based on the above analytical framework, two expectations will be addressed in this study. Firstly, with reference to the described typology on autonomy (Berdahl 1990), it is expected that the institutional autonomy in the negotiations is characterised by procedural and not substantive autonomy. Secondly, with reference to both the typology and the dimensions of living autonomy (Maassen, Gornitzka, and Fumasoli 2017), it is expected that the new DAs will lead to substantial autonomy (legitimacy and flexibility), and not affect the procedural autonomy (centralisation, formalisation, and standardisation) internally within the HEIs. Thus, the coming analysis and discussion seek to answer whether the new Norwegian DAs are governance instruments that emanate cultural-institutional or structural-instrumental governance.

## Data and methods

Documents from the process leading up to new DAs between the Norwegian Ministry of Education and Research and 11 of the 21 Norwegian publicly funded HEIs and interviews with key representatives from these HEIs were selected for data collection. The institutions include eight universities, two universities of applied sciences, and one specialised university.

To answer the first research question, the documents included the preliminary drafts for DAs from the institutions to the ministry, the formal feedback from the ministry to the institutional drafts, and the final DAs in the individual institutional letters of allocation were analysed (steps 6, 9, and 11 in Appendix 1). These moments in the negotiating process were selected because they represent the initial priorities of the HEIs, how the ministry reacted to these priorities, and the final DA. To study the negotiation process and how feedback from the ministry may have influenced the initial HEI drafts on goals and parameters, the methodological concept of ‘modifying work’ was applied, defined as transforming an issue into another issue (Asdal 2015; Asdal and Reinertsen 2022). The specific method for document analysis was to compare the goals and parameters in the preliminary agreement drafts with the final agreements. In the cases where these two features of these documents were not the same, whether the modifications were essential and/or semantic was reviewed. *Essential modifications* were changes in the fundamental content of the goals and/or parameters, for instance, whether existing goals on educational services in the drafts were erased or new parameters on educational services were added in the final versions. *Semantic modifications* were changes in the mere presentation of the goals and/or parameters, for instance, textual clarification or modifications in word classes like replacing a noun with a verb. For agreements that had been modified between the preliminary and final version, the written feedback from the ministry was reviewed to observe if the modification in the final draft was in coherence with the feedback from the ministry. Essential modification(s) in the goals and/or parameters in the final version of the DA compared to the preliminary draft that was in coherence with the written feedback from the ministry, was regarded as low regard to institutional autonomy since it indicates that the ministry had taken initiative to modify the ‘what and the how of the academe’ (goals and parameters) in the agreements. If there were no essential and/or only semantic modifications to the goals and/or parameters in the final DA, this was regarded as high regard to institutional autonomy when developing new DAs between the ministry and HEIs.

To answer the second research question, semi-structured expert interviews were carried out with key officials at the same 11 higher education institutions that were studied in the document analysis (Clark et al. 2021; Littig 2009). Given that the responsibility for educational quality in the new DAs is not distributed similarly among the HEIs, the experts that were interviewed held different positions in the central leadership and administration at the institutions, and include pro-rectors of education, rectors, directors of business administration and heads of office.

The first part of the interviews was relevant to address the validity of the findings in the first research question (Clark et al. 2021) and consisted of questions on how the respondents characterised the autonomy of the HEIs in the negotiations for new DAs. The second part consisted of questions on whether and potentially how the respondents expected that the new DAs may affect the internal governance at their institution, based on examples from the five operationalisations of living autonomy. If they expected that the new DAs might lead to internal change, the respondents were asked to elaborate on their expectations. Through thematic analysis (Braun and Clarke 2006), the respondents' expectations of how the new DAs might affect institutional governance were categorised. For instance, answers that included more or less institutional seminars on educational quality would be categorised as the dimension centralisation, with reference to the above operationalisations of the dimensions of living autonomy (Maassen, Gornitzka, and Fumasoli 2017). Background information from the process leading up to the new development agreements, such as the framework for the new DAs and meeting invitations (see Appendix) and an interview with staff in the Ministry of Education and Research that were involved in developing the new DAs, were used to inform the questions in the interviews.

The findings are limited to the Norwegian context and the specific HEIs included in the study. However, it is not likely that a larger sample of institutions would have produced significantly different results considering that these institutions represent a majority of Norwegian HEIs. While only one person from each institution was interviewed, these individuals held key positions with crucial responsibilities for the DAs and were considered to be capable of giving a comprehensive representation on behalf of their respective institutions. However, it is important to acknowledge a limitation of the study, which is that the focus was solely on the DAs as one component of the governance system in Norwegian higher education, and other governance instruments, such as regulatory and financial, were not studied.

## Results

In the final versions of the new DAs, the formulations of the goals of seven of the HEIs had been modified (HEI # 1, 2, 4, 6, 8, 9 and 11), when compared to the first submission of preliminary drafts for new DAs, as Table 1 illustrates. When investigating the modified goals, all changes were semantic and none were essential. In five of these semantic cases (HEI # 2, 4, 6, 9 and 11), there was coherence between the feedback from the ministry and the modification in the final agreement in the letter of allocation. In one case (HEI # 8), the semantic modification of the goals was not coherent with the feedback from the ministry, and in another case (HEI # 1) only some of the modifications were coherent with the ministerial feedback. An example of a semantic modification of a goal is when the wording in a lengthy goal formulation in the preliminary draft 'An open university. XXX

**Table 1.** Document analysis of negotiations for new DAs. Modification type (semantic and/or essential), when comparing HEI draft, final DA and input from ministry.

HEI #	GOALS (substantive autonomy)		PARAMETERS (procedural autonomy)	
	Modification type	Coherence with ministry feedback	Modification type	Coherence with ministry feedback
# 1	Semantic	Y/N	Semantic	Y/N
# 2	Semantic	Yes	Semantic	No
# 3	None	–	Semantic	Y/N
# 4	Semantic	Yes	Semantic	Yes
# 5	None	–	None	–
# 6	Semantic	Yes	Both	No
# 7	None	–	Semantic	Yes
# 8	Semantic	No	None	–
# 9	Semantic	Yes	Semantic	Yes
# 10	None	–	Both	No
# 11	Semantic	Yes	Semantic	Yes

[the institution] will in the period work towards more flexible and attractive educational programs that meet the demands for competence in working life', was modified to 'Be an open university with flexible and attractive educational programs' in the final agreement, i.e. the content of the goal is not changed.

There were also modifications of the parameters between the first draft for DAs submitted by the institutions and the final DA versions in the letters of allocation, as [Table 1](#) illustrates. Nine institutions had modified the text in the parameters, and of these modifications, two were both essential and semantic (HEI # 6 and 10), and seven were only semantic (HEI # 1, 2, 3, 4, 7, 9 and 11). However, none of these essential modifications were in coherence with the feedback from the ministry. Additionally, four of the semantic modifications were in coherence with the feedback from the ministry (HEI # 4, 7, 9 and 11), two were partly in coherence with the feedback (HEI # 1 and 3), and in three cases there was no coherence with the feedback from the ministry (HEI # 2, 6 and 10). An example of semantic modification of a parameter is when the parameter 'Assignments and internships on BA/MA/Ph.D. levels are results of cooperation with employers' in the preliminary draft was modified to 'More study programs offered with internship' in the final agreement. Also, in one case some parameters that in the preliminary DA version were qualitative had been quantified, and this change was related to general feedback from the ministry to this institution that the parameters should strike a good balance between being quantitative and qualitative. In general, the most frequent feedback from the ministry was the recommendation to revise the text in specific parameters to 'express direction', which by the institutions was interpreted as semantic modifications of the texts of the parameters by introducing verbs like develop, strengthen, reduce, promote, etc.

Hence, the document analysis shows that both substantive and procedural autonomy were evident during the negotiation process for the new agreements, with no essential modifications to the goals and parameters resulting from the feedback from the ministry to the initial DA drafts, as [Table 1](#) illustrates. Although some goals and parameters in the preliminary agreements had been modified in the final agreement, only the semantic (and not the essential) modifications were in coherence with feedback from the ministry. This finding from the document analysis is confirmed in the interviews, where the main impression of the institutional representatives was that the feedback from the ministry was brief and concerned the textual presentation of the draft agreements, motivating only minor modifications to their preliminary drafts for new DAs. A quote exemplifying this perception was, *'The only suggestion we received concerned the form and not the content in itself'*. In consequence, the respondents perceived that the DAs had been developed autonomously by themselves, both in terms of goals and means to achieve these goals. Hence, the institutional autonomy in the negotiations for new DAs between the Norwegian public authorities and the HEIs is characterised by both substantive (goals) and procedural (parameters) institutional autonomy.

Furthermore, the interviews reveal low expectations of how the new DAs affect the internal institutional governance, i.e. the 'living autonomy' at the HEIs, with exception of the dimension legitimisation. When asked about what internal changes the DAs might lead to, very few of the respondents answered that they expected the new DAs to lead to change at their institution. Regarding the dimensions centralisation, standardisation, and flexibility, none of the institutions expected that the new DAs would lead to internal change. A typical response regarding these dimensions was,

No, we don't expect any internal changes, at least we have not anticipated or arranged for internal changes on the basis of the new DA. We have our strategy, and that is what is important for the top management. The DA is only a subgroup under the strategy.

Only two respondents expected that the DAs would affect the level of formalisation at their institution, by expecting to report less on indicators of educational quality, due to the tight coupling between the DAs and institutional strategies. When asked why the institutions expected few internal changes as a result of new agreements, three respondents replied that this was due to the lack of connection between the financing of the institutions and the DAs.



However, regarding the dimension legitimisation, a clear majority (ten institutions) expected that the new DA would aid in internal, strategic decisions and developments on educational quality. When asked to elaborate on this expectation, the respondents mentioned that the DAs were tightly coupled to the institutions' long-term strategy. The goals and parameters in the DAs had to a large extent derived from or were mere blueprints of the institution's strategic plan, illustrating great coherence between these two documents. The following quote on the connection between the new DA and the institutional strategy is typical for the institutions' approaches to how the new DA might affect the legitimisation dimension,

We have matched the new DA tightly with our institutional strategy, actually it is our strategy. In essence, the ministry could have governed us based on our strategy. [...] Internally, we will govern based on our strategy, which essentially is the same as the DA.

Furthermore, one of the respondents at the institutions described how they expected that the match between the DA and the strategy might work in practice,

Internally, we can convey that this is not only our strategy, but also that our owner has 'proofed' our strategy and that we need to report on our priorities in the annual report to the ministry, and the rest of the governance dialogue with the ministry. So the DA will be an internal amplifier for strategic work

The main finding on living autonomy is therefore that the respondents did not expect that the new DAs would lead to substantial internal change on the issue of educational quality at their institutions. There is an exception for the dimension legitimisation, where all but one respondent expected that the tight connection between the DA and the institutional strategy would aid internal governance on matters of educational quality. Concluding, the new DAs are expected to have limited effect on institutional autonomy, with the exception of that they were expected to increase the legitimisation of strategic internal work.

## Discussion

The expectation to the first research question was that the negotiation process for new development agreements (DAs) between the Ministry of Education and Research and HEIs in Norway would be characterised by procedural rather than substantive autonomy for the HEIs (1990). The findings, nevertheless, show that the HEIs experienced both substantive and procedural autonomy during the negotiations, and have extensive influence over the content and direction of the agreements. Yet, these findings are pertinent to discuss because the ministry already had established the political and regulatory framework and contextualised the negotiations for the DAs, including white papers and sectoral goals. Arguably, the ministry had conditioned the DAs to function as governance instruments dedicated to specific political purposes, and thereby steered the negotiations to reach defined sectoral goals such as quality and diversification which was favourable for the public authorities (Olsen 2009). Following this argument, the autonomy of the HEIs in developing the new DAs is questionable as their initial drafts may be regarded as mere responses to the politically set frames for the negotiations. However, despite the evidently political context of the negotiations, the findings document that the HEIs possessed the ability and capacity to set their own goals, and the means to pursue them, and the ministry did not introduce essential changes during the negotiation process. Also, the HEIs perceived the DAs to be autonomously developed by themselves, and the respondents did not appear to be overly concerned with addressing the national priorities for the sector in the DAs. In other words, the negotiations of these DAs highly reflected both substantive and procedural institutional autonomy in determining the 'what and the how of the academe' (Berdahl 1990, 172). Therefore, it is plausible to argue that while the DAs were not developed in a political vacuum (Neave 1988), they were still autonomously developed by the HEIs. The possible influence of the political context does not negate the fact that the institutions had the agency and capacity to shape the agreements according to their own priorities. Concluding, although the negotiation process was a dynamic interaction between the HEIs and the ministry within a political

setting, the HEIs exercised substantial autonomy in defining their objectives and approaches on educational quality.

The anticipation to the second research question in this study was that the DAs were expected to lead to substantial autonomy at the HEIs in terms of legitimacy and flexibility, representing a cultural-institutional perspective, while leaving procedural autonomy unaffected (centralisation, formalisation, and standardisation), representing a structural-instrumental perspective (Berdahl 1990; Christensen 2019; Maassen, Gornitzka, and Fumasoli 2017). While the findings illustrated that the DAs were expected to impact the dimension of legitimisation, exemplifying a cultural-institutional perspective and enabling substantive autonomy for the HEIs, the dimensions associated with the structural-instrumental perspective and procedural autonomy (centralisation, formalisation, and standardisation) were not expected to be affected by the new DAs. Hence, the findings only partially support the anticipation to the second research question. However, these findings on the expected effects of the new DAs on the 'living autonomy' of the HEIs are also open to discussion. The respondents placed a strong emphasis on their strategic institutional goals when developing the DAs for their respective institutions. This suggests a possible pre-existing alignment between the institutional long-term strategies and the national policies for the higher education sector (Christensen 2019, 246; Maassen, Gornitzka, and Fumasoli 2017). However, and counter to this argument, the respondents appeared to be only moderately concerned with national priorities for the sector during the interviews, and instead, they demonstrated determination to pursue their already established institutional strategies and to harmonise the new DAs with them. Furthermore, it can be argued that the considerable substantive and procedural autonomy enjoyed by the HEIs in the negotiations of the DAs explains why mainly only one dimension of substantive autonomy, namely legitimisation, is expected to be affected by these agreements. In other words, when the HEIs are granted significant autonomy to develop their own governance documents, the resulting process and outcomes primarily impact expectations representing a cultural-institutional perspective on living autonomy in terms of legitimacy. The structural-instrumental dimensions of living autonomy, such as centralisation, formalisation, and standardisation appear to remain largely unaffected by the new DAs (Christensen 2019). Overall, this discussion illustrates that while national policies and the predefined political signals provide a context for the negotiations for new DAs, the HEIs still exercise a great level of autonomy in defining their objectives and approaches in the agreements. However, it is challenging to fathom how these agreements are expected to exercise internal impact.

The preceding discussion also gives rise to concerns regarding the fundamental concept of legitimacy within the cultural-institutional approach (DiMaggio and Powell 1983; Olsen 2009). Given the limited expectations regarding the internal impact of the DAs, it is relevant to query their ability to fulfil external expectations and provide both internal and external legitimacy. The findings illustrate that the DAs manifest internal legitimacy by aligning with institutional strategies. However, the extent of ministerial involvement in defining goals or parameters within the DAs is minimal, and the modest anticipations of their internal effects cast doubt upon the potential for new DAs to confer external legitimacy. Yet, had the ministry taken a more active role in shaping substantial goals and parameters within the agreements, such intervention might be perceived as encroachment upon internal governance, undermining institutional autonomy and thereby compromising the internal legitimacy of the new DAs. In light of the contemporary emphasis on dialogue in the governance of public organisations (Knutsen 2017; Peters 2001), such as HEIs, DAs that are autonomously developed by HEIs may emerge as the most viable and legitimate option for both the ministry and the HEIs.

As previously described, a pivotal aspect of higher education governance revolves around how authorities steer both the higher education sector and institutions towards shared objectives and the state's preferences (Ansell and Torfing 2016; Krüger et al. 2018). This dynamic reinforces an underlying hierarchical relationship between state authorities and HEIs (Neave 1988; Olsen 2009). Consequently, DAs have been deliberately crafted to strike a delicate equilibrium between maintaining a degree of governmental control over the institutions while preserving institutional autonomy

(Elken and Borlaug 2020; Krüger et al. 2018). However, the outcomes of this study raise inquiries into how the present setup of DAs contributes to align HEIs with the collective objectives for the Norwegian higher education sector, thus upholding governmental influence. Moreover, the findings indicate that the process of developing new DAs prioritises institutional autonomy over system-wide governance, with the agreements primarily functioning as tools to validate internal strategic initiatives within the institutions. Notably, in the crafting of DAs the HEIs avoid introducing supplementary goals or parameters beyond those already stipulated in their respective institutional strategies. Consequently, this approach might not offer a comprehensive overview of the national institutional landscape, potentially hindering the assurance of inter-institutional diversity. Furthermore, the limited involvement of the ministry in shaping the strategic goals of institutions during the negotiation phase raises questions about the alignment of DAs with the initial objectives of fostering high quality and a diverse sector characterised by distinct institutional profiles and division of labour.

Hence, while the ministry consistently emphasises the pivotal role of DAs within the Norwegian governance system, asserting their contribution to the shared objectives of Norway's higher education sector (M.o.E.R. 2021b; 2021c), the actual effectiveness of DAs in fulfilling this purpose remains unclear. Although DAs appear to play a role in the internal governance of Norwegian HEIs, this study casts doubt on whether autonomously developed agreements by institutions truly serve as potent governance instruments at the national level. This prompts the inquiry into the specific governance function these agreements fulfil if their capacity for governance through autonomous development is constrained. Do DAs primarily function to legitimise other governance tools, such as financial and regulatory?

Consequently, this study highlights how autonomously developed DAs can potentially foster a governance dialogue within a sector increasingly regulated through measures aimed at enhancing institutional accountability and reporting (Christensen 2011; Olsen 2009). While autonomously developed DAs might not inherently operate as direct instruments of governance, they exemplify a form of governance that accentuates bilateral discourse between the state and HEIs (Ansell and Torfing 2016; Knutsen 2017; Peters 2001). Within this framework, the hierarchical relationship between public authorities and institutions persists, upheld by a governance dialogue that is mutually recognised as legitimate by both the public authorities and HEIs.

## Conclusion

This article undertakes a study delving into the nuances of autonomy in the negotiations for new DAs between public authorities and HEIs, as well as the anticipated impact of these agreements on internal institutional governance on educational quality. The backdrop of this study is Norway, a context where DAs between the public authorities and HEIs are currently undergoing change.

The findings reveal notable substantive and procedural autonomy (Berdahl 1990) granted to HEIs during the negotiation process, empowering them to independently formulate the goals and parameters for the agreements. However, a contrasting aspect emerges as the study highlights the projected limited influence of DAs on the internal governance of the HEIs (Maassen, Gornitzka, and Fumasoli 2017), apart from their designated role as internal governance instruments aimed at legitimising institutional strategies. The DAs appear to align more closely with the internal priorities of HEIs rather than the broader national strategic priorities on educational quality, prompting inquiries into the actual governance function of these autonomously developed agreements.

The key messages from this study are as follow. Firstly, the existing format of Norwegian DAs seems to bolster institutional autonomy while acting as potent mechanisms for enhancing governance legitimacy in a sector where the state's influence may increasingly rely on financial and regulatory measures for steering, thereby exemplifying a cultural-institutional perspective on autonomy. Secondly, although the DAs might not exemplify efficacious governance tools, they prepare ground for a discourse on how to enhance quality in higher education between the authorities and HEIs, as they are not perceived as intrusive governance instruments that jeopardise institutional autonomy.

Future studies could explore expectations associated with diverse types of formal agreements, for instance those with and without linked funding, and offer insights into their perceived efficacy as governance instruments. Additionally, delving into the rationale behind the ministry's approach to DAs and investigating alternative governance instruments made possible through the autonomous development of DAs would contribute valuable perspectives.

## Disclosure statement

No potential conflict of interest was reported by the author(s).

## ORCID

Elisabeth Josefine Lackner  <http://orcid.org/0000-0002-8257-4395>

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## Appendix

Document flow in the negotiation process for new development agreements (DAs) between the Norwegian Ministry of Education and Research and higher education institutions.

Documents and meeting points	Time	Sender > Receiver	Amount	Pages
1. Framework for DAs	December 2021	Ministry* > HEIs**	1	7
2. Comments on DA framework	January 2022	HEIs > Ministry	15	36
3. Invitation to meeting on DA framework	February 2022	Ministry > HEIs	1	4
4. Common meeting with feedback to ministry on framework (with summary)	March 2022	HEIs > Ministry	1	2
5. Invitation to common meeting on preliminary institutional goals in DAs	April 2022	Ministry > HEIs	1	2
6. Preliminary drafts for institutional goals in DAs	May 2022	HEIs > Ministry	20*	57
7. Common meeting on preliminary institutional goals in DAs (with summary and ned deadline)	June 2022	Both	1	4
8. HEIs submit DA drafts	September	HEIs > Ministry	20	56
9. Dialogue meetings per institution on DA drafts with written feedback from Ministry	September 2022	Ministry > HEIs	21	20
10. HEIs send final DA text	Nov 2023	HEIs > Ministry	20	56**
11. Final DA text in letter of allocation for 2023	December 2023	Ministry > HEIs	20	

\*One institution was exempt from submitting DA drafts according to the given deadlines, due to being in the midst of developing a strategic plan for the institution.

\*\*These documents were not publicly available in total, but available examples show that the revised DAs were approximately of the same length as the documents in step 8.