The KaosPilots and the Contemporary Higher Education Sector

A study of organizational and sectoral change

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Abstract

This thesis examines the KaosPilots – International School of New Business Design and Social Innovation and its place within the contemporary European higher education sector. A relatively new organizational enterprise, the central question addressed in this thesis is whether the KaosPilots represent a new organizational template in higher education. In an attempt to answer this question their structure, values, and history are examined in light of theoretical perspectives about organizational and sectoral change. The KaosPilots’ organizational model is also compared with other organizational models that have developed in the higher education sector over the last two hundred years.

This study reflects the current challenges higher education is facing from society’s pressures to play a more directly economic role. The KaosPilots’ program is based on a practical entrepreneurial approach and a commitment to doing all of their projects for external clients. This market-friendly approach is balanced with a strong set of organizational values and a commitment to ‘making the world a better place’. The story of their success in the higher education sector shows how the sector is changing, as well as offering an interesting perspective on how to cope with the pressures of the market.

The conclusion of this thesis is that the KaosPilots are a new type of higher education organization. They draw from several elements found in other higher education organizations, but combine them in a unique way. Their structure sets them apart from other organizations within the higher education sector, but their combination of different, often opposing elements within their organization provides a striking similarity to more traditional universities.
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1. Introduction

1.1 Changes in the higher education landscape

The hegemony of classical tertiary institutions, especially universities, has been definitively challenged, and institutional differentiation is bound to accelerate... Under any scenario, traditional universities will continue to play a major role in both industrial and developing countries, especially in advanced training and research, but they will undoubtedly have to undergo significant transformations prompted by the application of new education technologies and the pressure of market forces, (World Bank, 2002: 41).

The first European universities opened their doors over nine hundred years ago. In the interim, universities (and society) have undergone significant changes. Older universities have changed, and higher education as an organizational field has developed new organizations in response to different educational needs. The last half-century in particular has seen a tremendous expansion of the higher education field and the development of new organizational forms. Since higher education is closely linked to other social institutions (such as the nation-state, civil society and the economy) changes in higher education are usually linked to changes in or pressures from these other institutions. Today, higher education is being pressured to be more socially relevant and to contribute more directly to economic growth. At the same time its funding per student is decreasing throughout the developed world. Established universities and colleges are coming up with new strategies to address these pressures, even as new organizations are entering the field and offering more competition for students and funding.

Olsen (2005:7) claims that European universities are in a position today where they are facing a form of institutional imperialism wherein pressure from other institutional spheres is threatening to destroy what is unique about higher education. Universities have always faced pressures from important stakeholders (primarily the nation-state) to perform certain tasks. Now, they are facing pressures at the national and supra-national levels to increase their social and economic relevance, something they are trying to do without sacrificing their academic traditions. This also comes at a time when the number of stakeholders in higher education has increased. Each of these stakeholders brings its own set of demands and puts increasing pressure on the institutions themselves. The European higher education sector has faced pressures and undergone several transformations in the last two-hundred years. It has absorbed new elements while retaining others which have remained largely unchanged since
the Middle Ages. Now, however, the role of higher education is under examination once again.

One of the most important changes has been the introduction of new types of educational organizations. An interesting new organization to enter the field of higher education is the KaosPilots – International School of New Business Design and Social Innovation (‘the KaosPilots’). They began as a partly private/partly public ‘educational experiment’ when they opened in Aarhus, Denmark in 1991. Now they have official status as a medium-cycle professional bachelor’s degree granting institution in the Danish system, though their funding status (always tenuous) is currently uncertain\(^1\). The school’s educational focus is to combine training in entrepreneurialism and project management with a desire to make a “positive difference in society” (KaosPilots, 2004), two goals not often explicitly combined. Also unusual is the organizational structure that the KaosPilots have adopted. They have a small permanent staff that coordinates the school’s activities, but no tenured faculty. Instead, the KaosPilots invite experts from business, academics, the arts and other areas to come and teach the students. Also, unlike most colleges and universities, the KaosPilots curriculum is not linked to a particular profession or a particular disciplinary tradition. The intent is to develop the student’s personal and professional skills so that they can work in any project-based professional environment.

It is the goal of this thesis to more closely examine the basic characteristics of this organization and their place in the contemporary European higher education sector. In order to do that, I will examine the organizational models that have developed in the higher education sector in the last two hundred years. Examining the templates and understanding the historical contexts in which they arose will provide a better understanding of the KaosPilots’ organizational model and a better understanding of how and why new templates develop in the higher education sector.

\(^1\) Just under half of the school’s funding came from the Danish government until 2003 when all government funding was cut. Since then, negotiations about the school’s funding and status have been underway. This will be discussed in more depth in Chapter 5.
1.2 Rationale

A study of contemporary higher education and the KaosPilots’ place in it is relevant for several reasons right now. Higher education is undergoing a period of important change. It is being asked to prove its social relevance, to be less internally oriented, and to help drive the economy in a more direct fashion. These demands have led to changes in existing universities and colleges. New strategies have been drafted, new research units have been opened, and attempts to grow partnerships with industry have been made in order to respond to these pressures. The creation of new institutions, often private and focused on business or marketing, has also taken place. These changes to the sector have been the subject of much debate. The extreme nay-sayers claim that universities and colleges are ‘selling out’ their *raison d’être* by taking a more market-oriented approach to education and research. Those on the other extreme see the academe as too stubborn and believe that it must orient towards the market or lose its relevance. My goal is to take a closer look at some of the core organizational templates in higher education and examine some of the key changes that have taken place in order to provide a better perspective on the current situation.

I have chosen the KaosPilots as a case-study because they are an interesting hybrid organization that contains many seemingly dichotomous elements. They are an educational organization without academic roots and an entrepreneurial organization with a strong social conscience. They are a tuition charging semi-private organization which has made a place for itself in a traditionally socially-democratic country with free higher education. They started in 1991 as a grass-roots organization with anarchistic tendencies and in 2004 were granted official status in the Danish system as a professional bachelor’s degree granting institution. The KaosPilots are an organization that draws freely from different organizational models to create something that is unique in Scandinavia. In looking at them, one can see an organizational model that attempts to balance seemingly incompatible elements; they combine strong social values and a strong market-orientation. The values that they hold are not, however, the traditional academic values of rationality and disinterested inquiry. The fact that they have succeeded as an educational organization without those values says something about how higher education is changing.
The history of KaosPilots is also interesting from the perspective of organizational change. They began as an educational experiment with partial government funding in 1991. In 2003 they lost their government funding, yet in 2004 were given official status in the Danish higher education system. This fall, the government offered to grant them full funding, starting in 2006, if they become a part of the Aarhus School of Business. This story, especially with the changes to the higher education sector as a whole as a backdrop, illustrates the dynamic relationships between higher education organizations, businesses, and state governments.

1.3 Research questions

The aim of this thesis is to answer the question:

*Do the KaosPilots represent a new organizational template in higher education?*

Linked to this line of inquiry are the questions:

1) *How* have the KaosPilots entered the higher education field?

2) *What* has enabled them to survive and expand in the last fourteen years?

To understand how this has happened requires an examination of the organization and an exploration of the current dynamics in the higher education sector. To understand whether the KaosPilots represent a new organizational template will also require an exploration of the question:

3) *What* are the other key organizational templates in the higher education sector?

The larger goal of this study is to bring a fresh perspective to the debates about how higher education can (and should) change in response to the pressure to ‘be more relevant’. By looking at the ‘odd’ example, I hope to highlight some of the tensions within the sector and some of the different possibilities in an organizational field which is becoming increasingly diverse.
1.4 Methodology

1.4.1 Theory and terminology

Institutional theory offers a valuable tool to understand the ways that organizations change and new templates develop. Greenwood & Hinings’ work on archetypes and organizational change (1993; 1996) provides a theoretical foundation for looking at the concept of templates upon which organizations are structured, and the role they play in organizational change, while the work of Olsen applies specifically to universities. I use this perspective to look not so much at how actual organizations change templates, but rather to look at how changes occur in the higher education field as a whole. In using the term ‘higher education field’, I refer to Scott’s idea of an organizational field,

...a group of organizations producing similar products or services (much like the concept of population as employed by the ecologists or industry group as employed by economists) but include as well their critical exchange partners, sources of funding, regulatory groups, professional or trade associations, and other sources of normative or cognitive influence, (1991: 173).

In the case of the higher education field, this should be understood to refer especially to universities, colleges, vocational schools, but also to governments, regulatory agencies, firms, students, and other external stakeholders that have a vested interest in higher education. I do not mean to imply that higher education organizations ‘merely’ provide educational products and services, but insofar as they produce research and provide the service of educating students I feel the term higher education ‘field’ is appropriate. These fields are in turn mediated by institutions. In defining institutions, I refer to Olsen’s definition that an institution is,

...a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances, (2005: 5).

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2 Olsen uses the term ‘stylized visions’ in reference to his university models and Greenwood & Hinings use the term ‘archetype’. I use the terms ‘template’ or ‘model’ because I feel they are descriptive, neutral terms that carry the same meaning as Olsen’s and Greenwood & Hinings’ terms.

3 The term higher education ‘sector’ will also be used. It comes from economics and refers to different areas of the economy.
Higher education institutions refer here to the rules and norms while the organizations are those places where people actually teach, research, and learn.

Following the lead of many authors in the higher education field, I will use a blend of neo-institutional theory and resource dependency theory. Neo-institutional theory focuses on the relationship between organizations and their institutional environments, with a particular emphasis on rules and legitimacy (Larsen, 2000, Greenwood & Hinings, 1996). Resource dependency on the other hand focuses more on power relations and the need for institutions to locate reliable resource streams (Gornitzka, 1999; Larsen, 2000). There are also positions in the middle that argue that dependency relations are important, but that the exact importance is mediated by environmental norms (Kraatz & Zajac, 1996; Huisman et al., 2002; van Vught, 1996). I will focus mostly on the positions in the middle since they seem to be the most relevant to the case of the KaosPilots. A fuller discussion of relevant theory will take place in chapter two.

1.4.2 Case study

My study is qualitative and focuses specifically on one case-study. According to Yin (1984:23) a case-study empirically investigates a contemporary phenomenon within its real-life context. It is appropriate where the boundary between the phenomenon and its context are unclear, and where multiple sources may be used. Mine is based on library research, document analysis, secondary-source literature, and two informant interviews (a core informant interview with the principal and another with a student). The library research has consisted of a small literature review of institutional theory, the history of the modern university, globalization and higher education, innovation studies, and contemporary changes to the higher education sector. They were chosen from literature I had read\(^4\), in consultation with my advisor, and through my own research. In addition, I gathered what literature (descriptive and analytical) I could on the KaosPilots and supplemented that with the informant interviews.

In preparing my project, and specifically before my core informant interview, I drew on the work of Kvale (1996). His work on qualitative interviewing gave me insights into how to

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\(^4\) Primarily during course work at the University of Oslo’s Faculty of Education and Center for Innovation, Technology and Culture.
structure my interview, how to frame my questions, and how to transcribe the interview afterwards. In regards to interviewing, Kvale writes that,

The topic of the qualitative research interview is the lived world of the subjects and their relation to it… the qualitative research interview is theme oriented. Two persons talk together about a theme that is of interest to both of them, (1996: 29).

Since my core interview was a one hour interview with the founder and principal\textsuperscript{5}, Uffe Elbæk\textsuperscript{6}, I was able to hear his perspective on the school’s history, organization, values, collaborations and place within the higher education sector. The KaosPilots were of interest to both of us and provided the basic theme for our interview. I had never met Elbæk prior to the interview, but had corresponded with him a few times in order explain my project and set up a meeting. After the interview we corresponded twice when I had follow-up questions about the interview and the KaosPilots generally. In my interview with a current student I have made an effort not to reveal the student’s identity so as not to violate confidentiality\textsuperscript{7}.

\textit{1.4.3 Validity}

Bias and validity are issues in every research project, but especially in this one. My main sources of information on the KaosPilots were publications either put out by the KaosPilots or by their founder and principal, Uffe Elbæk, and my interviews were with the principal and a current student. Elbæk and the KaosPilots have it in their own self-interest to portray the school in the most positive light possible, though the student I spoke with offered a somewhat more critical perspective. My other source of information about the KaosPilots was the book \textit{KaosPiloterne i Tidens Tendenser} (1997)\textsuperscript{8} by the sociologist Trine Deichman-Sørensen. She is a researcher at the Labor Research Institute in Oslo and was the second independent researcher to evaluate the KaosPilots. Her book followed the progress of the school’s second class of students between 1993 and 1996 and provided a valuable source of general information about the school as well as insight into the internal change dynamics.

\textsuperscript{5} ‘Rector’ would perhaps be a more usual term for the director of an educational institution at the tertiary level, but Uffe Elbæk is referred to as the school’s principal in the KaosPilot literature, so I will follow their word choice.

\textsuperscript{6} The interview took place at the SAS Radisson while Elbæk was in Oslo on September 1\textsuperscript{st}, 2005.

\textsuperscript{7} This interview took place in Oslo in October of 2005.

\textsuperscript{8} \textit{The KaosPilots in the Spirit of the Times}, my translation
that the school went through in its first few years. This work also helped me to take a broader perspective of the KaosPilots through Diechman-Sørensen’s own analysis.

The fact that the bulk of my source material was published by the group I was studying, makes bias a central concern. These types of documents tend to accentuate the positive and downplay the negative or confrontational aspects of their own organization. They also do not show how the organization is seen by others. I have looked critically at the sources of information, the language, and who’s ‘voice’ is speaking in each case. I have also used my information, specifically my interview with the principal, to look into how the organization sees its own change. In an attempt to examine a controversy that surrounded the KaosPilots in 2003, and to bring in a more critical perspective, I examined some of the discussion around the book *På en bølge af begejstring* ⁹(2003) by Bøje Larsen and Peter Aagaard. These researchers from the Center for Business Development and Management at the Copenhagen School of Business offer a rather critical perspective on the KaosPilots. I also examined the rebuttal that Bjarne Stark, the KaosPilots Head of Studies, offered in response to the book’s publication¹⁰. In an attempt to maintain a critical distance from my sources, I have tried to let them speak for themselves whenever possible and to differentiate in the text between what the KaosPilots say about themselves, Deichman-Sørensen’s writings, and my own interpretation in order to make the analysis transparent.

1.4.4 Limitations

My research was constrained by several factors. To conduct an exhaustive survey of all the organizational models in the higher education field in the last two hundred years is a massive task that is well beyond the abilities of the author. This means that my comparisons between the KaosPilots template and other templates will be perhaps too dependent upon Olsen’s (2005) work on the modern University. I have tried to supplement that discussion, however, by looking into other institutions outside of the universities.

My inability to go to Denmark to conduct field research and my difficulty in reading Danish also presented some obstacles. These factors prevented me from observing the school first

⁹ *On a wave of enthusiasm* is the suggested English title.

¹⁰ Part of the reason for the controversy around the book is that the book’s publication is believed to be part of the reason why government funding was cut to the KaosPilots in 2003.
hand and from gaining a fuller perspective on the public debate that has surrounded the KaosPilots in the Danish media. This also prevented me from reading the other evaluations of the KaosPilots as they were all written in Danish. My working knowledge of Norwegian enabled me to use Deichman-Sørensen’s work as an important source. Her work covers the earlier stages of the KaosPilots development from 1993 to 1996. My sources from the KaosPilots themselves that are more contemporary have been important for creating a balance.

This work would have been strengthened by more, and more varied, sources. Yet the information I have accessed has enabled me to track the process of how the KaosPilots came into being and developed. That covers the research questions I pose. I do not make claims that investigate other aspects of the KaosPilots’ operations nor attempt to evaluate their performance as educational providers. That would require a whole different set of data. My ambition has been to sketch broadly some of the changes to the organizational templates in the higher education field and to examine more closely the KaosPilots and their place within that field. This examination of the KaosPilots, in light of the analytical framework I have laid out here, is my contribution to the field of higher education studies.

1.5 Overview

In chapter two of this thesis I will describe the theoretical framework that will be used.

In chapter three I will begin to apply the conceptual framework laid out in Chapter two and explore three of Olsen’s (2005) four templates of the University (the University as a self-governing community of scholars; the University as an instrument for national political agendas, and the University as a representative democracy). To better understand why these templates arose, we will look at some of the key pressures on higher education in each historical time period.

Chapter four will look at Olsen’s fourth template (the University as a service enterprise embedded in competitive markets) and attempt to place its development in the contemporary higher education field. The effect of globalization will be explored as will some of the changes to modes of knowledge production and the higher education sector as a whole.
Chapter five will examine the KaosPilots history, values and structure. This examination will give some insight into the KaosPilots’ organizational template and provide a basis for comparison with the others.

Chapter six will analyze the KaosPilots and their organizational template in light of Olsen’s models of the University and other educational models: colleges, private institutions, and proprietary education. This discussion will allow us to see the similarities and differences between the KaosPilots and other organizations and determine whether they represent a new organizational template in higher education or not. I will also look at organizational change in the KaosPilots and in the sector as a whole in light of the theories introduced in chapter two. Finally, I will analyze the KaosPilots in light of the forces at work in the higher education field more broadly.

The thesis will conclude with chapter seven. It is here that I will revisit some of the main points and make some suggestions for what may take place in the future.
2. Perspectives on change in higher education – literature review and conceptual building blocks

2.1 Introduction

Several theoretical perspectives from higher education and organizational change literature will be applied in order to answer the research questions laid out in section 1.3. First, some basic characteristics of higher education organizations will be outlined. Secondly, different ideas about how these organizations change will be examined. Thirdly, some basic characteristics of the higher education sector and the ways it changes will be addressed.

DiMaggio writes that, “…to understand the institutionalization of organizational forms, we must first understand the institutionalization and structuring of organizational fields,” (1991: 267)\(^\text{11}\). To understand how a new organizational form could arise in the higher education sector, it is necessary to look at the forms which have been dominant in the field, the history of how those forms came to be institutionalized, and some of the ways in which those forms have changed. Although this is a task far larger then the scope of this thesis allows for, an attempt will be made in chapters three and four to describe some of the major changes that have taken place in the European higher education sector since the early 19\(^{th}\) century.

To understand the changes in the higher education sector, an examination of how and why changes at the level of the organization and the field occur is a necessary starting point. Broadly speaking, changes are either towards organizational differentiation or homogenization. Neo-institutional theory argues that when different organizations have to respond to similar environmental conditions, there will be tendencies towards isomorphism, or homogenization (DiMaggio & Powell, 1983; van Vught, 1996). Resource dependency theory, on the other hand, argues that organizational change will tend towards increased differentiation as organizations try to create a secure niche for themselves. The idea here is that by creating a unique niche for itself, an organization can secure a steady stream of funding, in which isomorphism will not occur (Huisman et al, 2002: 318).

These are perspectives from within on-going debates over what the most important factors are in organizational change. Stensaker & Norgård argue that different changes can be

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\(^{11}\) Unless otherwise noted, emphasis is in the original text.
subsumed under the “continuous struggle for identity” (2001: 475). Kraatz and Zajac, argue that the struggle for legitimate identity is but one explanation, and that, “alignment with global and local technical environments (even at the risk of institutional illegitimacy) represents an alternative path that provides an escape from the ‘iron cage’ of a strong institutional environment” (1996: 832).

To understand why change occurs in higher education institutions and the higher education sector, it is important to have some understanding of institutional and sectoral dynamics. One of the most important sectoral dynamics in higher education has been the increase in the number and diversity of higher education institutions. In the last two hundred years, but especially in the last fifty years, the number of institutions has increased dramatically (Scott, 1998:123). The last twenty-five years has seen an increase in diversity of the higher education sector, and an ever increasing number of non-traditional higher education providers (Gellert, 1999: 9).

In this chapter I will argue for the usefulness of templates in understanding organizational change. Olsen (2005) has used four ‘stylized visions’ to describe the modern University. Each of these visions, or templates, is roughly linked to a certain historical period. They are however, ideal types, and elements of the types can be found throughout university history. The higher education field is not made up exclusively of universities, but since the University (as an ideal and an institution) has been around the longest and continues to be the institution to which all others refer12, an examination of its history will illuminate the field as a whole. This text will refer to both universities and the University. The University refers to an ideal as represented by Olsen’s (2005) four ‘stylized visions’, whereas universities are the actual sites of teaching and research.

2.2 What kind of organization is the University?

Very basically, universities can be viewed as instruments or as institutions. When viewed as an instrument, the University is something to be used “for achieving predetermined preferences and interests” (Olsen, 2005: 5). In this case the university is dependent on other institutions and is in a contractual relationship with them. When the organization achieves

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12 The identity of other educational organizations is, to a large degree, defined by their not being universities.
the goals set for it, all is well, but when it fails to do so, cuts are made. The University has little agency in this perspective and is used by other institutions to attain their objectives.

A more complex perspective on the University is to view it as an institution. In this perspective the University has agency and a life of its own. It has a history, a structure, and a set of meanings and values which guide its behavior. It exists in relation to other institutions such as the nation-state, the firm, or civil society. Similar to the instrumental perspective, in the institutional perspective the University is involved in normative pacts with other institutions. These relationships are described by Olsen as “long-term cultural commitments” (2005: 6) which are based to a large extent on trust, shared values and a common understanding. In this case the University exists in interdependence with other institutions. It can influence its environment yet maintain an institutional robustness. Other determining factors for change are what sort of principles the university is based on, how strongly it is embedded in society, whether those trying to change it are doing so in accordance with its values, and in which part of the institution (governance, resource allocation, norms, or structures) changes are being implemented (Ibid.).

In terms of a fundamental, rationale universities work with knowledge (Clark, 1983). In today’s universities, this means that authority is both with the expert scientists who work with knowledge in its various forms, and in the hands of high-level administrators who try to manage the organization as a whole. Universities are also internally very diverse. They are based on a faculty structure where the different fields of knowledge operate more-or-less independently from each other. This means that loyalty is more often found in the discipline rather than the organization (Ibid.). This structure, where the connections between different groups are often tenuous and poorly defined, has led higher education organizations to be described as loosely-coupled (Weick, 1976; Birnbaum, 1988).

Greenwood & Hinings’ theory can be used to argue that universities and colleges are based on archetypes or templates (1993; 1996). They define archetypes as, “…a set of structures and systems that reflects a single interpretive scheme,” (1993: 1052). In essence, the template is the set of ideas and values that guide the organization and the way they are reflected in the organizational structure. Olsen’s (2005) work The institutional dynamics of the (European) University presents four templates of the modern university which will be examined in detail in chapters three and four. They are; the University as a self-governing
community of scholars, the University as an instrument for national political agendas, the
University as a representative democracy, and the University as a service enterprise
embedded in competitive markets. Olsen (2005) acknowledges that these four models
represent idealized forms of the University and that most universities will have elements
from each within their structure. Clark’s (1983) work on academic organization also
supports the belief that universities may have a variety of normative contexts within their
organization that may very well be in conflict with one another. These different norms may
exist between academics and managers (Marginson & Considine, 2000; Tjeldvoll, 1999), or
between the different disciplines themselves (Becher, 1994).

Understanding the different normative contexts at work is important for understanding
universities as organizations. An examination of Olsen’s (2005) four models will provide
insight into some of the different structures at work in higher education organizations.
Understanding these elements will provide a basis for comparison with the KaosPilots
organization. Looking at the historical context around Olsen’s templates may also provide
insights into how the ‘KaosPilots model’ arose.

2.3 How do universities change?

External changes to institutional environments can often lead to internal changes in
universities and colleges. Since they are dependent on the government for much of their
funding, civil society for students, and industry for placing graduates and applying research,
when the needs or expectations of those institutions change, it affects the University. How
these changes affect individual organizations is dependent upon the internal structure and
unique aspects of the university or college in question. This section will look more generally
and describe characteristics which apply to change in all types of higher education
organizations.

Neo-institutional theory’s focus on rules, and resource dependency theory’s focus on
technical environments offer two different theoretical lenses through which organizational
change can be understood. Used in conjunction with one another they can provide a more
convincing understanding of how universities change. Stensaker and Norgård’s (2001) work

13 See Figure 1 in the appendix 1 for a chart of the four models.
on changes at the University of Tromsø makes use of a combination of neo-institutionalism and resource dependency theories that centralizes the struggle for institutional identity. They argue that it is an organization’s attempt to maintain a coherent identity which influences whether change will be isomorphic or differentiated. In light of Greenwood & Hinings’ (1996) theory, one could say that the template an organization identifies with could have a primary effect on institutional change. Their examination of the University of Tromsø is particularly relevant in examining the KaosPilots because of the university’s identity as an ‘alternative’ university.

Huisman et. al.’s work (2002) is also relevant here. They examined the University of Tromsø over a more than thirty year period as well, but also included an analysis of organizational changes at Aalborg University in Denmark and Maastricht University in the Netherlands. Their theoretical view is that, “dependency relations are important, but their importance – and subsequent consequences – is mediated by norms and values of the institutional environment,” (2002: 318). This is in line with Greenwood & Hinings’ (1993; 1996) view on the importance of templates and Stensaker and Norgård’s (2001) view on the centrality of institutional identity.

Greenwood & Hinings’ 1996 article *Understanding Radical Organizational Change: Bringing together the Old and the New Institutionalism* also offers useful perspectives for examining change in higher education. They argue that an organization’s template and its embeddedness in its normative context will define the type of change that will take place in the organization. To describe the type of change that will occur the authors write that “*Convergent* change occurs within the parameters of an existing archetypal template. *Radical* change, in contrast, occurs when an organization moves from one template-in-use to another” (Greenwood & Hinings, 1996: 1026, my emphasis). The more embedded an organization is in its normative context (for example, academic norms) the more likely it is to resist change, or to experience convergent change. However, in the case of large-scale environmental transformations, the organization may change radically (Ibid. 1028). Due to the structure of universities, this may not mean a radical change for the organization as a whole, but rather the adoption of a new template for a part of the organization. How the University has changed will be explored more closely in chapters three and four.
How permeable an organization is to outside influence will also affect the nature and pace of change. According to Clark, “The bridges to the outside world are numerous and widely dispersed...change creeps across those bridges quietly and with little notice” (1983: 235). This understanding of universities and colleges as fairly permeable is also supported by Larsen who writes that, “If some internal actors’ views match external pressure, an alliance between internal and external actors may arise” (2000: 388). These internal-external alliances can in turn shape the organization’s change (Ibid. 389). They may provide capacity or help consolidate the necessary power (authoritative or normative) to help promote change. Clark writes that,

...much change occurs through differentiation; differentiation is driven in the immediate sense by the rearrangement of interest; interest is basically divided between those already vested and those seeking to become vested; the outcomes of the interest-group struggle are determined by relative power; and power is rooted in respective legitimacies, (Clark, 1983: 218).

From this perspective, change is a power struggle where parts of organizations change when it is advantageous and when it does not cause too much internal conflict. In the case of universities, this often results in the creation of new units, rather than change to existing ones (Ibid. 217). This is linked to the loose-coupling of higher education organizations. It is possible to change part of the organization while leaving other parts unchanged. This is part of the reason why it is possible for different templates to accumulate within one organization without necessarily replacing older ones (Birnbaum, 1988; Clark, 1983).

Change in also affected by how power is distributed. Greenwood & Hinings write that,

Radical change, however, will occur only in conjunction with an appropriate “capacity for action” and supportive power dependencies. Capacity for action and power dependencies are the enablers of radical change, (Greenwood & Hinings, 1996: 1037).

In the higher education field, the distribution of power is complex. Clark has identified six levels of authority from the department to the nation (not including the seventh, supranational level) and three forms of system-level authority including bureaucratic, political and academic (1983: 108-23). Some levels have more power then others but due to the distribution of power it is easier to change if there is cooperation at multiple levels. Change is also more likely to occur smoothly if it is in line with institutional goals and identity (Larsen, 2000; Gornitzka, 1999).
In short, an organization needs to have the will, the authority, and the know-how to change. This change, though, will be constrained or enabled by the institutional environment. The environment can open up or restrict opportunities for change, or occasionally shift in such a way as to suggest new templates or, “to articulate the need for new competencies and promote the development of capacities for actors” (Greenwood & Hinings, 1996: 1041). In the case of higher education organizations, their structure is such that parts of the organization may switch to a new template, while others do not. This can create tension within the organization itself, which may in turn lead to the adoption of the new template by other parts of the organization over time.

2.4 Changes at the sectoral level

As discussed earlier in this chapter, universities exist in relationship with other social institutions. The modern university has been closely linked with the nation-state, but has also had close relations with industry and civil society, and more recently the market. All of these institutions influence higher education and have played important roles in the development of different templates. As Greenwood & Hinings write,

...we admit to the possibility and even the likelihood of alternative templates within an institutional context...The central point is that organizations are recipients of prescribed ideas about appropriate templates of organizing whose relative salience and clarity may change over time, (1996: 1030-1).

Organizational change is affected by the dynamic interplay between different institutions. Sometimes institutions are in balance, but at other times the tension turns into competition (Olsen, 2005: 6). This competition can go so far as to be termed institutional imperialism where “attempts to achieve ideological hegemony and control over other institutional spheres, may threaten to destroy what is distinct about other institutional spheres” (Ibid. 7). When this institutional imperialism occurs, those institutions under attack attempt to defend themselves. This defense often includes a close reexamination of the institution’s role in society and its core values and may often result in public debate about these very questions.

Olsen (2005) believes that the University currently faces this situation. Simply put, the ideas in favor of economic competition and a marketization continue to grow in power and are affecting a wide variety of social institutions, higher education included. Gumport addresses this as well when she writes,
Is it that the social functions of higher education may have changed or is it that our talk and ideals about higher education have changed? That is, has public education taken on principally economic functions, abandoning the more comprehensive institutional mandate of performing not only educational but also socialization and political functions? Or has it become commonplace to speak of higher education in industry terms, in common parlance expecting of public colleges and universities a set of objectives that are economic (e.g., human capital, workforce training, and economic development)? Or is it both? (Gumport, 2000: 75-6).

Both of these authors are talking about pressures from the outside that are affecting the sector as a whole. How changes will occur across the sector is mediated by the strength of external pressures versus internal norms. Van Vught argues that.

…environmental pressures (especially government regulations) as well as the dominance of academic norms and values (academic conservatism) are the crucial factors that influence the process of differentiation and dedifferentiation in higher education systems, (Van Vught, 1996: 56).

His argument is supported by case studies from Europe, the United States, and Australia (Birnbaum, 1983; Rhoades, 1990; Maassen & Potman, 1990; Meek, 1991, in van Vught, 1996: 55-6). Marginson & Considine’s (2000:66) study from Australia also supports the argument that strong academic norms may prevent change14.

The role that academic norms play in the higher education sector has changed in the last fifty years. The massification of higher education led to a much larger and more diverse student body as well as increasing numbers and types of higher education providers. Trow (1970) observed the effect that massification had on collegiality and professor-student relations within the organizations themselves. The diversity of the sector means that academic norms are still very strong in many parts of the sector. That they are equally strong everywhere is not a tenable hypothesis.

What can be seen here is that the higher education sector changes as a result of the negotiation between environmental pressures and internal norms. The stronger the environmental pressures to change in relation to the sectoral norms, the more likely changes are to occur. In the higher education sector, values and norms play an important role, so major changes usually require radical changes to the institutional environment. This will be expanded upon in chapters three and four.
2.5. Conclusion

Colleges and universities are complex organizations. Their loosely-coupled structure enables them to react to environmental pressures by changing parts of their organizations without necessarily changing the core. This also enables them to accumulate multiple operating templates, adding to their complexity. The sector as a whole has also grown increasingly complex as the number of organizations and organizational diversity has both increased. Sectoral change is a negotiation between environmental pressure and internal norms and structures of higher education organizations.

The theoretical perspectives that have been examined in this chapter provide different perspectives on these organizations. On the one hand, they are sometimes viewed as instruments which can be used by others. On the other, they have a very rich institutional structure which mediates environmental pressures. Using Greenwood & Hinings’ (1996) theory, an argument can be made that universities have the potential to change from template to template. A closer examination of their structure indicates that only part of the organization is likely to change at any given time, provided the environmental pressures are not severe. As to why universities and colleges change, combining neo-institutionalism and resource dependency theory offers the argument that an organization’s identity plays a strong role in determining how and when it will change.

These perspectives on organizational and sectoral change provide a set of lenses for looking at the changes in the higher education sector and at the KaosPilots’ fourteen year history. They will be applied in the remainder of this thesis in an attempt to answer the question of whether the KaosPilots represent a new template, especially when seen in the light of the other models that have arisen. Olsen’s (2005) first three templates and the period from the early 19th century up until the 1970s will be explored in chapter three.

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14 According to their research, many academic managers saw academic values as a ‘hindrance’ to organizational change.
3. Transformations in the modern university

3.1 Introduction

A theoretical framework for understanding organizational change was presented in the last chapter. In this chapter Olsen’s first three templates; the university as a self-governing community of scholars, the university as an instrument for national political agendas, and the university as a representative democracy, will be discussed and some of the conditions which led to change in the higher education sector will be examined. The dynamics around each of the three templates will be examined to shed light on how each arose. This will provide a historical perspective on the changes to the modern University and provide a better understanding when examining some of the contemporary dynamics in the next chapter.

In looking at universities as social institutions, it is important to note that they exist, “in enduring interdependence with other social institutions – not only with other levels of education, but also with the family, government, industry, religion, and popular culture,” (Gumport, 2000: 74). It is beyond the scope of this chapter to look at the whole complex interplay of social institutions around each template. Instead, I will try to highlight major changes in institutional relations and changes in the social functions that universities serve to show how each new template has arisen. In a complex network of institutional relationships, changes in an organizations function can point to changes in the organizations place in the institutional field.

3.2 The University as a self-governing community of scholars

Olsen’s first template is that of the university as a self-governing community of scholars. In this model the University is based around academic values such as, “shared commitment to scholarship and learning, basic research and search for the truth, irrespective of immediate utility and applicability, political convenience or economic benefit” (2005: 8). Olsen also writes that,

The advancement, validation and dissemination of knowledge are founded on cognitive categories such as free inquiry and intellectual freedom, rationality, intelligence, learning, academic competence and expertise, fidelity to data and knowledge, theoretical simplicity, explanatory power, conceptual elegance and logical coherence (Olsen, 2005:8).
This institution is true to its own ideals and sees a unity between research, humanistic scholarship and natural science (Ibid.). It serves its values, and through service to its values, society. Society values what the University does and provides funding and autonomy, letting the University pursue its goals as it sees fit. Change comes slowly and reluctantly, and usually only when pushed from outside. It has academic autonomy, but it is expected to abstain from politics (Ibid. 14). The University’s operations are governed internally and there is a general societal consensus about the University’s role. This is the model most often hearkened back to by those who are dissatisfied with the changes happening today.

This model arose in Prussia at the beginning of the 19th century during a period of profound political transformation. The French Revolution, the Napoleonic wars and the rise of the German nation-state occurred, as did a discussion on the role of the university. As the various social institutions were adjusting to the changes that had happened, there was discussion of abolishing the universities altogether. In France they were superseded by the grandes écoles, but in Germany Wilhelm von Humboldt, with the support of a small group of aristocrats and philosophers, secured approval for the founding of a new university (Wittrock, 1993: 313-5). The University of Berlin, founded in 1810, was the institutional embodiment of the self-governing community of scholars and would prove to be a profoundly influential university template.

3.2.1 Bildung

The intention was that the university would be more or less free from worldly concerns and could instead focus on, “shaping individuals with character and integrity and in developing and transmitting a culture distinguished by humanistic Bildung, rationality and ‘disenchantment of the world’, enlightenment and emancipation” (Olsen, 2005: 8). By unifying teaching and research under the concept of Bildung, teacher and students were seen as journeying together to discover the world, and themselves, through science. The different fields of research were to be held together by their common pursuit of knowledge.

The historical and institutional context for these ideas was the University of Berlin. It was,

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15 The term Bildung carries a great deal of meaning in the German-speaking world and in countries that have been strongly influenced by the Humboldtian model of the university. I use the term to describe, “the life-long human development
...the institutionalized form of Bildung, and...represented an attempt to recreate and reinvigorate national culture after the traumas of military defeat and political disruption. Bildung therefore was an heroic effort to overcome the socio-cultural disembeddedness inherent in the situation and to ‘re-embed’, as it were, a re-created national culture in a reformed polity (Wittrock, 1993: 317).

The new idea of Bildung and the new University of Berlin were to serve ideological as well as political ends. Bildung was to help form the minds and characters of young men and the University was to help form the new national German culture. These two missions worked in such smooth connection because many of the young men who attended university entered the civil service. Prior to this transformation, universities had served the interests of the Church or of local rulers, lending credibility or training clerics and bureaucrats (Rüegg, 1992; Le Goff, 1980). With the founding of the University of Berlin however, it was to serve its ideals of Lehr- and Lernfreiheit while strengthening the nation-state. It was a relationship which was intended to serve the interests of science as well as to reconstruct a secular national identity (Neave, 2001: 33).

3.2.2 The university and the nation-state

In this period, the institutional context of the university was most strongly determined by its relationship with the nation-state. It was a mutually beneficial relationship, both instrumentally and ideologically. Instrumentally, the nation-state acquired trained civil servants and access to science and innovation that had previously been outside the public domain (Scott 1998: 124; Neave, 2001: 25, 33). The nation-state also benefited from the University since, “...by its teaching and by the research it undertook in the cultural and human sciences it challenged, reaffirmed, and reinterpreted the nation’s fortune in the past and thus its right to legitimacy in the present” (Neave, 2001: 47). Ideologically, the university was seen as, “an ideal moral community supporting the values of enlightenment and personal development” (Wittrock, 1993: 348). Those inside and outside the university had shared norms and objectives and the university was allowed to govern itself (Olsen, 2005: 9).
As discussed earlier, templates represent ideal types. Organizational and institutional reality is usually much messier. Ideal types do, however, have the power to inspire, even two hundred years after they come into existence. In the case of the Humboldtian University, its reality started to move away from its ideal within a relatively short period. By the 1830s, Bildung, which began as a radical educational concept, had boiled down to a, “superficial polish essential for becoming a member of the upper class” (Wittrock, 1993: 319). Even today, though, the ideal of the Humboldtian University is still invoked to recall a time when the university was, “a place for genuine discourse and non-manipulative interaction” (Ibid. 322), where teachers, “share with students a quest for knowledge and to join with them in serving science (Ibid. 328).

3.2.3 Radical change

In this period, several important changes occurred to the idea and function of the University. According to Manuel Castells (2001), the University has four primary social functions: Generation and transmission of ideology, the selection and formation of the dominant elites, the production and application of knowledge, and training the skilled labor force. It is in the Humboldtian University that these four functions were firmly cemented. Science had became professionalized and institutionalized in the University, thus securing it as the primary site for the production of knowledge. Before this period, much scientific research was still done outside the universities. With the linking of the University to the nation-state, it served as a site for the production of trained civil servants and for an ideology supporting the validity and authority of the state. Whereas the University has been a site for selecting and forming elites before the Humboldtian period, those elites began to be linked to the nation-state rather then to local political interests.

This University as a community of scholars arose in a period of profound social upheaval, partly as a result of the Napoleonic wars that had been taking place. The nation-state saw the renewal of the universities as a way to renew itself and consolidate a strong national culture. For the University it was a chance to (re)establish itself as an important social institution and to consolidate itself as the main site of knowledge production. It is here that the fate of the nation-state and the University become firmly linked. From the perspective of science, this is the period when research and character development became linked to one another and that basic research was elevated to a position of great importance.
3.3 The University as an instrument for national political agendas

The second model that Olsen describes is the University as an instrument for national political agendas. In this model, “the University is a rational tool for implementing the purposes and policies of democratically elected leaders” (2005: 10). Its goal is to serve the politics of the day and to help produce wealth and welfare for the state and its citizens. Research is pursued mostly for solving practical problems in areas such as health, defense, education, and industrial competition (Ibid.). This relationship with the state provides large quantities of funds, but also fragments the University. Since the researchers are pursuing such different goals, the whole organization is held together by a strong central administration. This administrative core takes in funds, coordinates research, and helps steer the fragmented faculties. Change occurs as the political administration changes.

This template arose after WWII and, according to Olsen, reached its ideal form in 1963 in the United States, though the idea of the University serving political ends has a much longer history (2005:14). Like the first template, the internal and external stakeholders have shared norms and objectives. What is good for the nation is good for the University and vice-versa. An important change here however is that it is predominantly environmental factors which begin to govern university operations and dynamics (Ibid. 9). Research is pursued in order to solve problems in the service of national goals. As the organization has grown in size and complexity, scientists have moved further from each other. Their research is funded by the government, but is in such different areas that a sense of shared objectives amongst scientists is weakened.

3.3.1 The rise of the modern research university

The roots of the University as instrument for national political agendas stretch back to the late 19th century and the rise of the modern research university. According to Wittrock, it was in, “this industrializing, modernizing, State-reforming world of the late nineteenth century that the modern university took shape” (1993: 321). As the modern nation-state grew, the university produced knowledge (some of which was closely linked to the needs of industry) and strengthened national and cultural identity and bound the universities more closely to the nation-state (Neave, 2001: 26). A related phenomenon was that other universities, private or religious, were left outside of this. Since these private universities had loyalty that lay with a “sub-nation” they were never able to gain an equal place (Neave,
A change that took place in the post WWII period was that the University was seen as an instrument to help stimulate economic growth and meet labor market demands (Wittrock, 1993: 339). In general, after scientists were put to work for the government during WWII, expectations for what the universities could contribute were raised (Shils, 1992: 1267).

Within the University itself three major changes were taking place. The first two were an, “increasing scientific specialism[sic] and professionalism,” (Wittrock, 1993:321). Knowledge itself became more and more specific and the various strands grew further and further apart, something which was in contrast to the unity of knowledge embodied in Humboldtian ideals. Correspondingly, as knowledge grew more specific, the academics who worked with it became more focused, each beginning to draw a stronger professional identity from the work he or she was doing. A third change was the inclusion of multiple functions into the universities. This took place more in the United States then Europe, and through chance (mostly) it turned out that the US “multiversity” (Kerr, 1991) was a very successful hybrid institution. Intellectual support for the multiple functions of the University appeared in the 1940s as Functionalism became the dominant theoretical model in the social science. This served to give academics a theoretically based self-understanding of what they were doing (Wittrock, 1993:337).

3.3.2 Shifting linkages

Externally the University and the nation-state became more and more connected, though internally the University started to become more and more diverse. This reinforced the dependency on the nation-state and weakened the professorate as a unified group. The universities needed the state to fund their expanding research and provide a field of application for it and the nation-state wanted the universities to help with industrial development and modernization. During this period the firm and the business corporation also started to become more powerful institutions. The World Wars and the Cold War intensified the relationship between government, science and the military-industrial complex. University research was an essential element in the creation of the new technology used by industry and the military.

Several important changes to the University took place with the adoption of the second template. As science became more specialized, the University expanded. As the nation-states
of the western world industrialized, they needed new technology and trained engineers and scientists. Since universities had become the primary sites of training and knowledge production, they expanded and absorbed missions that had previously been undertaken by other organizations. The functions of the University expanded to meet economic demands by producing and employing workers and developing knowledge for use in industry (Gumport, 2000: 74). Due to the structure of the University, the first template did not disappear as a set of guiding values, it simply moved to a less central place in the institution. The new roles that were required of the University were easily placed on top. The tendency in modern academic systems is towards increasing diversity (Clark, 1983: 186) and the University was able to absorb its new functions without great difficulty.

3.4 The University as a representative democracy

The third model that Olsen describes is the University as a representative democracy (2005: 11). This model sees the University as primarily for internal interest groups, including students and employees of the University. Change occurs through democratic decision making. The model is based on the belief that the democratization of the University will help lead to the democratization of society.

The model arose out of the student and democratic social movements of the late 1960s and early 1970s (Olsen, 2005: 15). This vision of the University has floundered at times because academics do not always want to participate in democracy and because there is a tension between the idea that everyone should have an equal voice, and the idea that the most competent should have the most authority (Ibid.). The Netherlands experimented extensively with this model, but ended up adopting a very centralized governance model in 1997 (Ibid. 25). In this model the University’s operations are governed by internal factors, but the actors lack consensus about norms and values.

3.4.1 Massification

The single most important factor in causing this democratic template to arise was the massification of higher education. This shift from an elite system to a universal system of higher education began in Europe in the 1960s (Wittrock, 1993: 339; Scott, 1998: 113). According to Trow (1970), one of the major challenges in this transition was how to balance the autonomous functions of the University; transmission of high culture, creation of
knowledge, and formation of elites, with the popular functions; providing places for all, provide useful knowledge for all. These challenges forced governments to reexamine university funding, governance, access and the nature of higher education’s relationship to society, state, and economy.

Scott outlines four major characteristics of massification (1998: 113-6). First, the relationship between economy, society, and the University changed. University education was no longer just for the elite and as the mission broadened, universities become more dependent on the state for funding. Second, the shape and structure of higher education systems changed and traditional universities were no longer the only model. Third, all institutions had to take on multiple missions. This required more professional management. Fourthly, the student body changed. It became much larger and more diverse and fewer students had “scholarly ambitions”. This meant there was a greater gulf between academics and students. This necessitated a more systematic process of education since informality and collegiality would no longer suffice.

The shift from elite to mass education meant a shift in mission. This can be seen in the second template, but it is greatly expanded here. Trow (1970) points out that the University had to take on popular as well as autonomous missions in this period, which meant that in addition to training the elite, the University was responsible for providing places for all and useful knowledge for all. It was also as a result of massification that the sector expanded. In many European countries this meant a system where some institutions focused on more vocational training but where universities remained the primary sites of research. This also resulted in an increase in the number of institutions. According to Scott “three-quarters of the extant universities, even of universities in Europe, have been established since 1900; half since 1945” (Scott, 1998: 123). Even with increased numbers and a binary system, missions blended and nearly all institutions had to expand to take on a diversity of tasks. The shift in the student body also had large implications. As the student body became larger it also became more diverse. Students from different backgrounds had different interests and needs. As stakeholders in a democratic university they had a right to express their views and seek to have their needs met.

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16 German Hochschule and Norwegian høyskoler for example.
3.4.2 Changes in governance

Trends in other institutions also began to effect governance at the level of state-university interactions as well. In the 1960s there was an increase in the power of managers in industry, legitimized by the fact that they were successful at meeting goals (Dore, et al. 1999, 109-10). This developed into the 1980s faith in, “mobility via the market” and “the ideology of shareholder value” in government and industry, particularly in Anglo-American business (Dore, et al., 1999: 114). At the same time, the 1980s saw the abandonment of tight government controls of higher education, and an increase in budget control and regulation, especially in the U.K. (Maassen & Cloete, 2002: 20-3). These management ideas came first from industry and government, and their success there was hoped to translate into success with higher education as well.

These broader shifts in management ideology, combined with increased institutional complexity as a result of massification, led to an increased need for professional managers. Up to this point, universities had been, for the most part, administered by members of the professorate (Maassen & Cloete, 2002: 26). However, the increased complexity began to necessitate a more professional administration. The increased power of managers grew out of a need for them in an increasingly complex environment. This increase in managerial power led universities and colleges to become increasingly bi-professional institutions. Managers and academics have different training and (often) different ideas about how a university should be run. This has led, in some situations, to increased tension within the universities (Tjeldvoll, 1999; Marginson & Considine, 2000). This bi-professionalism can have a positive effect on universities as well. Both Clark (1998) and Marginson & Considine (2000) argue that when universities and colleges can create a culture where both groups are able to use their strengths in conjunction with one another instead of in opposition, it can have a revitalizing effect upon the institution.

3.4.3 The university reflects society

It is during the period of massification that the University started to become an institution that was open to all. Whereas it had previously been the site of elite training, it was now a site for increasing numbers of people to acquire skills and knowledge. It was also in this period that more and more demands started to be made on the institution. Institutional missions had been expanding since the end of the 19th century, but now the universities were
more open to public scrutiny and were being asked to provide useful knowledge for all. The idea that the University should have to prove its utility was not new, but the stakeholders were starting to increase in both number and diversity of demands.

The adoption of the third template also marked a shift in the institutional landscape as a whole. Some of the old hierarchies were being criticized and minority groups and women were demanding more rights. Universities became sites of elite training and protest against the elite. Functionally, one can see that the mission(s) of the university became not only diverse, but also contradictory (Castells, 2001). The third template arose as a response to a perceived lack of democracy and representation, both inside and outside of the University. As an organizational reality, there were a number of universities and colleges founded in the late 1960s and early 70s that were intended to be more democratic (Huisman et al. 2002).

The effect of this template on most universities, though, was not so profound. Traditional academic ideals of collegiality provided for a system based on consensus in which those who are the most learned and respected have a more equal voice than others (Birnbaum, 1988: 89). Collegial systems are also often ones in which the members have shared backgrounds and values. That was not the case in the massified universities and equal access for all led to some conflict of values (Olsen, 2005: 15). More recently, the ideas of democratic representation have come in conflict with the values of efficiency and effectiveness. It is neither efficient nor effective for the president of a university to have to consult one hundred staff members before making a decision. Though strong democratic elements remain in most university systems, as a central organizing template for the whole system, this model has not proven to be too successful.

3.5 Conclusion

Some of the changes that have taken place in the higher education sector around the development of Olsen’s first three templates have been sketched out in this chapter. The attempt has been to show that the development from one template to another has been, from a macro perspective, strongly linked to changes in the broader institutional landscape. Also seen in macro perspective, each new template only arose as a result of a major outside influences (Napoleonic wars, WWII, student revolutions) that forced changes inside the universities. Still, according to Olsen, the templates represent ideal types and there have been few actual organizations that exactly resemble any of them. Most organizations contain
elements of all three, elements that have accumulated over time as the organizations themselves have expanded and their internal workings have become increasingly diverse. I have identified some key characteristics of these templates that can be used to assess new organizations entering the higher education field. This will be done with the KaosPilots in chapter six.

In the next chapter we will look more closely at the changes to the higher education sector in the last twenty-five years and the development of Olsen’s fourth model, the University as a service enterprise embedded in competitive markets. It is in the contemporary period that higher education (like other social institutions) has become more susceptible to global influences (though global influences have certainly always been present). It is also in this period that governments and firms have become increasingly interested in the potential of higher education to contribute economically to society. This instrumental perspective on the University has been broadly contested as running counter to the University’s role as a social institution. It has nonetheless had a profound effect on universities and colleges the world over. The growth of more explicitly economic model for the University, and the reasons for that growth, will be explored in the next chapter as we examine Olsen’s fourth template of the University as a service enterprise.
4. Current transformations. Competition, markets, and knowledge

4.1 Introduction

The last twenty-five years have seen some major shifts in the institutional landscape surrounding higher education. There have been changes at the sectoral, institutional, and disciplinary levels, and they have been driven, primarily, by the same macro trends. Put simply, there has been an increase in the role of the market in higher education and an opening of the sector to more competition (World Bank, 2002). This has affected institutions and has arguably resulted in the creation of a new template in higher education, the University as a service enterprise embedded in competitive markets (Olsen, 2005: 12).

In this chapter we will examine Olsen’s fourth template and some of the pressures in the institutional environment that have led universities to towards this template. We will take a closer look at two of the most important environmental changes; globalization and changes to knowledge production. This will provide a better understanding of the current dynamics at play in the higher education field.

4.2 The University as a service enterprise embedded in competitive markets

Olsen’s fourth model is the University as a service enterprise embedded in competitive markets, (2005: 12). In this model, the focus is on the efficient provision of services in local, national and global markets. The institutional environment is competitive, individual gain is emphasized, and knowledge is seen as a tool to help in this (Ibid.). Marginson & Considine (2000) dub this model ‘the enterprise university’, Clark (1998) calls it the ‘entrepreneurial university’, and Tjeldvoll (1999) calls it the ‘service university’. All of these authors describe a University that is closer to the market, more responsive to stakeholder demands, funded from diverse sources, and steered by a stronger management.

In this template, the market rather then the nation-state is the key referential institution. The ideal service University should be steered by a strong executive power so that it can adapt quickly to changing market demands. Since the higher education market is now global, the focus of many universities and colleges has begun to stretch beyond national borders. With increasing attention being given to the market and market mechanisms, there has also been
an increase in competition. The competitive environment is now global as universities and colleges try to attract students from diverse regions in order to attract funding and prestige. Cooperation has also expanded internationally.

The vision of the University has grown in strength in the last two decades, in parallel with the growing influence of neo-liberalism (Olsen, 2005: 16). It is more contested in Europe, especially Scandinavia, then the U.S., but it is making inroads everywhere. It operations are governed by external factors and the actors have conflicting norms and values. This model is in some ways the antithesis of the University as a self-governing community of scholars and is often criticized because of its emphasis on private, short-term gain and private ownership of knowledge.

4.3 Changes to the contemporary higher education sector

Changes to the higher education landscape over the last twenty-five years have been influenced by changes to the institutional field as a whole. According to Neave,

The ‘new discourse’ is essentially mercantile, a technical and utilitarian calculus which marries together supply-side economic theory with an industrial-military jargon the precision of which is often unbothered by proven scientific rigor. It places the firm as society’s central referential institution, the university as an element in the productive process, and both contained within an economic reductionism which, while pervading industrial countries, claims as its outstanding characteristic to lie in transcending them, (Neave, 2001: 48).

This shift to the mercantile has seemingly influenced all levels of the higher education sector. The sector as a whole is being pushed to prove its economic value, there is increased competition amongst universities and colleges, university governance has become more executive, and the way in which knowledge is produced has changed. According to Neave the firm is now society’s central referential institution, taking over from a weakened nation-state17. These shifts in institutional arrangements and their effects on higher education will be explored in this chapter.

17 The ‘weakening of the nation-state’ varies dramatically from country to country and is much debated. It is beyond the scope of this paper to discuss this fully; I simply wish to draw attention to the issue.
4.3.1 Globalization

Globalization and its effects have been much discussed in the last twenty years. The term has been used in so many different ways, however, that it is necessary to define clearly what one means by ‘globalization’. According to Maassen & Cloete,

Globalization impulses stem from financial markets that started operating on a global scale and from the explosion that occurred in international ‘connectedness’ – both virtual and real – mainly through the internet, mobile telephony and intensifying travel patterns (Maassen & Cloete, 2002: 14).

Seen from this perspective, globalization is primarily a function of economic and technological changes which began in the 1980s. These economic and technological transformations have had an important impact on all of society’s institutions. One change caused by the increased ability to connect people with goods and services all over the planet has been a shift in production. The most dramatic shift in production has been the movement of manufacturing and service provision to lower cost areas, primarily in the global South (Scott, 1998: 127). With the movement of manufacturing to lower-cost areas, the North has switched to an economy more and more connected to technology and innovation, the so-called knowledge economy, (Ibid.). What this has meant for the higher education sector as a whole is that universities and colleges are being asked to take a more active role in producing knowledge that can help drive the economy (Wittrock, 1993: 341). They have always produced knowledge, and often for those with political power (as illustrated by the University-as-instrument model), but the creation of a ‘third mission’18 where the university produces research for direct marketization by industry is a new function (Etzkowitz & Leydesdorff, 2000)19. This has resulted in more connections between higher education and industry, both locally and globally.

Another major shift has been the cultural impact of globalization. It has reconfigured identities and relationships at the local and the global levels. Identities have become more fluid. Who competes and who collaborates has been reconfigured. Global brands exist, but local niches are exploited to gain a competitive advantage. It has been argued that the

18 Alongside teaching and research.

19 Gulbrandsen (2005) calls this the ‘engine’ approach to higher education. It will be discussed in section 4.4.2
individual is being disembedded from traditional behaviors, consumption patterns and ways of life, while at the same time a new global level of identity is available through global popular culture (Held & McGrew, 2000). There is pressure to be more international and to conform to common international models. The extent to which this is happening is highly contested. Globalists believe that local identities are being eroded and that the emergence of a global popular culture is leading to hybridization of identity (Ibid. 37). Sceptics on the other hand point to the continuing force of national and local identity, particularly visible in armed nationalist movements that have occurred around the globe in the last two decades (Ibid.).

Globalization has impacted university culture as well. In a global free-market there is more competition. In the face of global competition for students and research funding, universities are being pressured to meet international standards in terms of course offerings and quality, as well as send and receive more students and staff in international exchanges. Ironically, if institutions follow the isomorphic pressure to be more ‘standardly international’, they can lose the uniqueness that gives them an edge in the global market. Marginson & Considine point out that, “institutions gain much of their rationale from the regions they serve – and it is a necessary part of the pitch of individual universities in a global setting” (2000: 245). It can be a delicate balance between meeting international labor market standards and promoting strengths based on local identity.

4.3.2 The university and the nation-state, part II

Beerkens points out that, “While the nation was the institutional container of social life, including higher education, the process of globalization is believed to have caused a process of disembedding,” (2004: 27). This disembedding of the University from the national context, and the general weakening of the nation-state, is a fundamental effect of globalization. Roger King writes that,

At the political level, nonetheless, globalization generally refers to the decline in the sovereignty and importance of the nation state, to increased interstate collaboration, and to the decline of socialism and the worldwide acceptance of liberal democracy, (King, 2004:50).

In the post WWII era, but especially in the last twenty-five years, the power of global and international institutions has increased. These institutions can be roughly split into two categories; regulatory institutions and multi-national enterprises. Regulatory institutions,
such as the European Union, the Global Agreement on Trade in Services (GATS), the International Monetary Fund (IMF), and the World Trade Organization (WTO) are intended to regulate flows at the supra- and international levels. Multi-national enterprises are profit-seeking organizations which operate in multiple countries simultaneously. This new regulatory level means that the nation-state has to consider an authority beyond its borders when making decisions about higher education.

For many universities there has also been a decrease in state-funding (the amount of decrease varies from country to country; in Scandinavia the decrease is not so dramatic), which has led to a need to establish relationships with different stakeholder groups. This changing relationship with the nation-state and search for funding has also, broadly speaking, led to a questioning of purpose for higher education. Wittrock comments on this when he writes,

> Today it is easy to see that two of the three key institutions of modernity, namely, the nation-state and the university, can no longer take their continued existence for granted – certainly not in the form in which they have appeared for over a century. Moreover, the third key institution, the modern large-scale corporation, has, many would argue, also seen its nature altered in fundamental ways (1993: 361).

This echoes Olsen when he writes that the University is facing a period of fundamental renegotiation of its position in regard to other social institutions. It is perhaps not surprising that since the modern University and the nation-state developed together, they should both come under assault at the same time.

This shift in the institutional dynamics between corporation, nation-state and university can be seen in the changes that have taken place in the University itself. The firm has become society’s central referential institution, replacing the nation-state (Neave, 2001: 48). Olsen’s fourth template illustrates this by its focus on serving the interest of the market, not that of the nation-state. This has led to a ‘marketization’ of university functions, such as student recruitment and research (King, 2004: 54). The shift indicates the increasing power of the firm (and the decreasing power of the nation-state) to determine the University’s role in society. As the firm has become more central,

> …the dominant legitimating idea of public higher education has been moving away from the idea of higher education as a social institution, and moving toward the idea of higher education as an industry (Gumport, 2000: 70).
This shift can be seen in the evolution of the four templates, from a close connection to the nation-state to a close connection to the market.

4.3.3 Non-traditional education providers

One of the most important changes to the higher education sector in the last period has been the increase in the number of non-traditional education providers. Gellert has written that,

Perhaps the single most important influence on curricular and other organizational aspects of institutions of higher education in Europe is the fact that the traditional homogenous university systems have become diversified through the development of alternative sectors in higher education (1999: 9).

Now that the monopoly of ‘classical tertiary institutions’ has been broken, the field has become more open to new educational organizations. These take the form of virtual universities, which use internet or satellite communication to reach students; franchise universities, where branch campuses of British, U.S., or Australian universities are opened in other countries; corporate universities offering specific training to employees; or academic brokers, entrepreneurs who attempt to connect those offering and those seeking higher education service (World Bank, 2002: 33-4). Many of these non-traditional providers fill niches that the traditional colleges and universities have left empty. Some are for-profit institutions of questionable quality and legitimacy, others are branches of some of the top universities in the world, and yet another group focuses on educational niches that are outside the scope of traditional college or university education. The existence of these new institutions points to broader institutional changes. Trade liberalization has been increasing in nearly all world markets in the post-WWII period (Barrow, 2003). The market for higher education services is also subject to trade liberalization, and is now included in the GATS. This is particularly significant since education services is, “one of the most significant areas of growth in the global service sector” (Ibid. 10). That the global market in higher education services is estimated to be at least $30 billion a year is also perhaps a reason why it is receiving more attention these days (Ibid.).

4.3.4 New cultures, new connections

Universities have responded to changing circumstances in various ways. Examples of this are reflected in what Clark (1998) has termed the ‘entrepreneurial university’. Clark identifies five elements that successful, entrepreneurial universities contain: a strengthened
steering core; an expanded development periphery; a diversified funding base; a stimulated academic heartland; and an integrated entrepreneurial culture. Clark argues that European universities have been traditionally weak at steering themselves, and in order to succeed today they, “need to become quicker, more flexible, and especially more focused in reactions to expanding and changing demands,” (1998: 3). This steering core needs to include both academic groups and managerial groups. The entrepreneurial culture should be a, “work culture that embraces change” (Ibid. 5). This culture should also extend through the entire university community.

Yet such adaptations are not unproblematic. Marginson & Considine, for instance, have observed a crisis of purpose in Australian universities linked to imitation of the business sector, something taking them away from that which makes them distinct; “teaching for personal/cultural development rather then immediate skills, long-term research programs, critical and reconstructive scholarship, an institutional space not owned by one or another powerful social agent but obliged to relate to all,” (2000: 244). Hollinger points out that, “Faculties…have become less able to agree on what ethos identifies the university…The more tasks that the society persuades or forces universities to accept, the more of a challenge it is for the faculties to constitute themselves as a distinctive solidarity (2000: 162). Though these examples are from the Anglo world, they speak to a global trend. A third problem that universities face is the increasing diversity of connections to the outside world. Knowledge, by its nature, is constantly increasing. This is reflected in the ever-increasing number of research foci at the university. This leads to different parts of the university growing increasingly distant from each other. At the same time, there are groups outside the university who want to help transform university research into marketable products. This is especially true in areas such as bio-chemistry and computer science. These areas of research attract interest and funding and connections are created between them and groups outside the university such as firms or private research groups. This can be very beneficial for the production of knowledge, but it also serves to further fragment the academic profession.

All three of these issues; pressure to adopt business-like behavior, pressure to diversify missions and increasingly diverse connections, can lead to an identity crisis. Clark (1998) suggests the creation of a strong entrepreneurial culture to solve the identity crisis. Marginson & Considine suggest, “…autonomous academic cultures in combination with organization-savvy managers” (2000: 253). Both support a solution where managers and
academics cooperate in university governance and planning and take advantage of the different strengths that both groups possess.

4.4 Changes to knowledge production

The changes that have affected the higher education sector extend down to the way knowledge is produced. As Beerkens writes,

> What can be observed is a change in the production of knowledge (Gibbons et al., 1994). The shift to transdisciplinarity, the inclusion of (national and international) stakeholders outside the university, increased cooperation with (national and international business), all create a demand to link with other organizations, be it other universities or organizations outside academe, such as professional associations, companies or international organizations, (Beerkens, 2004: 25).

The push for universities to take a more direct role in economic development has played a role in the shift in knowledge production. The shift in the type of knowledge that is economically valuable has also been important here. Peter Scott points out that,

> Globalization is inescapably bound up with the emergence of a knowledge society that trades in symbolic goods, worldwide brands, images-as-commodities and scientific know-how…the university at any rate has the potential to become the leading institution in the knowledge society as the primary location at which symbolic goods are, if not produced, at least conceived and designed, (Scott, 1998: 127).

What we are witness to is a move towards knowledge that is produced across disciplines and across sectors. The knowledge that leads to more efficient production of manufactured goods is important, but not as important as it once was. Rather, it is the innovative knowledge leading to new goods, new markets and new ways of doing things that is highly valued.

4.4.1 Mode 1/Mode 2

One way of capturing the essence of the discussion about new types of knowledge production is to use the terms Mode 1 and Mode 2. These terms were coined by Gibbons and his colleagues in their 1994 work entitled *The New Production of Knowledge*. Mode 1 represents the traditional research universities doing basic, discipline-based research. Mode 2 knowledge production, however, differs in several key respects. It is a form of research orientation in which: a) the context of application determines the problem for solving, b) research is transdisciplinary, c) research teams are trans-institutional, d) funding comes from multiple sources, e) management structures are more collaborative and horizontal, and f)
quality is assessed against multiple standards (peer and utility) (Muller & Subotzky, 2001: 167-8). Of central importance in this model is that the university department is no longer the sole or primary research unit. Another key difference is that Mode 2 knowledge production has the ability to create economic value directly (Gulbrandsen, 2005). This places parts of the university in much closer contact with the market and has the advantage of making research more relevant and expanding access to funds. However, this type of knowledge still depends upon a solid Mode 1 disciplinary base (Muller & Subotzky, 2001: 170).

A partial explanation for the rise of Mode 2 research is offered by Roger King when he writes,

"Globalization also appears to be fundamentally ‘marketizing’ key parts of university research, changing the relationship between universities and they outside world, making their boundaries more porous…Globalization has its impact through the enhanced competitiveness laid on large corporations to find and exploit new products in the increasingly knowledge-based societies that characterize a steadily integrating world economy. As companies become more aggressive they invest in areas such as molecular biology, and this has the consequence of turning a basic science into a more entrepreneurial firm,” (2004:54).

King sees Mode 2 research as driven by the profit-motive of firms. It is most likely to occur in interdisciplinary research areas, such as bio-technology, which have more opportunities for patenting or marketing knowledge. While firms searching for profits is certainly a factor, academic units themselves are usually willing participants. Looking to Clark (1998) again, the expanded development periphery and the diversified funding base are both key elements of a successful, entrepreneurial university. Both of these elements are involved in seeking connections outside the university in order to attract funding. The situation can be mutually beneficial in that firms gain access to valuable research and universities gain access to valuable funds. Clark also point out the importance of the academic heartland. This supports Muller & Subotzky’s (2001) argument that without a strong Mode 1 research tradition, Mode 2 research will not be successful.

**4.4.2 Innovation**

Innovation fundamentally requires finding knowledge solutions to complex problems. This entails the binding together of myriad groups of experts who, so to speak, inhabit different social worlds and this, in turn, implies that the resources to address such problems must come from a variety of sources… (Gibbons, 2001 cited in Gibbons, 2004: 112).
The increase in Mode 2 knowledge is linked to the increasing importance of innovation. Innovation is essentially the creative use of knowledge to solve problems. The knowledge can be new, or it can be a novel combination of existing knowledge. Innovation is about learning, communication, coordination, and coping with uncertainty. Since universities work with knowledge, they are logical participants in the search for innovations and new knowledge production networks.

How universities can best help in the process of producing innovation is a subject of some debate. Gulbrandsen (2005) splits the debate into two camps, “engine” and “infrastructure”. In the engine approach, higher education has a direct influence on the economy through radical innovation, patenting, and entrepreneurial behavior. In the infrastructure approach, higher education’s influence is more indirect and comes through training, maintenance of scientific norms, and incremental innovation. The engine model represents something new for higher education. Etkowitz & Leydesdorff refer to a ’third mission’ of direct contribution to industry (2000: 110). This view of universities as engines of economic growth is critiqued as too simplistic, essentially a restating of the linear approach to innovation (Gulbrandsen, 2005). The infrastructure approach is nothing new for universities; they have been training workers since their inception. From the perspective of many industrialists, though, the most useful function of universities is that they provide, “trained researchers, familiar with the latest research techniques and integrated in international research networks” (Pavitt, 2005: 93). In either case, universities are being asked to contribute to innovation. A tension this creates for universities is how to navigate between the pressure to produce relevant knowledge (quickly if possible) and the pressure to follow disciplinary curiosity wherever it leads.

4.4.3 Competition, cooperation and heterogeneity

In the knowledge-based economy, competitiveness is closely associated with innovativeness, which influences the organization of firms, industries, and regions. Hence, in order to obtain relevant knowledge, firms tend to engage in cooperative interactive learning relationships with a wide range of other actors, such as suppliers and users of new technologies, public research institutes, and other organizations, (Castellacci, et al., 2005: 7).

As global competition has increased, it has become necessary to lower operating costs and seek advantages wherever they can be found. One of the ways this is done is through cooperation with others. When firms cooperate with universities, for example, it can be
beneficial for both. For the firms it can mean they do not need to fund their own in-house researchers, and for the universities it translates into funding and real-world problem-solving. These interactions have caused a growth in the number of interdisciplinary research units, particularly in areas such as bio-technology and ICT. The operating templates of these research units are a mixture of academic and entrepreneurial and the often have more in common with project teams or think-tanks then they do with traditional university faculties (Scott, 2003: 219). The networks that form tend to be heterogeneous; often made up of firms, government agencies and university research groups.

Researchers in innovation studies argue that heterogeneous networks are more innovative. In Malerba’s (2003) discussion of sectoral systems of innovation, he points out that having heterogeneous actors in a network gives all members an advantage by offering access to a wide variety of specialized knowledge that would otherwise be impossible, or at least prohibitively expensive, to have in each organization. At the national level, Finland is often cited as an innovative success story (Schienstock, 2004). The country was in an economic slump in the early 1990s but worked to create forums for high-level members of different sectors to meet and discuss solutions. Now, Finland is one of the world’s leading hi-tech economies. At the sectoral level, Gertler and Levitte point out that local learning is most effective when the different parties, “remain fully open to new knowledge flows from around the world,” (2004: 4). That said, knowledge creation is actually a very local activity. Local connections, user-producer interactions, and perhaps also a shared local identity can serve to explain part of it. This is supported by the research of Castellacci et al. (2005) and Archibugi and Iammarino (1999). Archibugi and Iammarino write that,

It has been noted that the intensification of academic collaboration has been particularly boosted by regional economic integration processes…This seems to support the view that knowledge processes crucially depend on cultural features whose similarities are more likely to be found within the same macro-region, (1999: 325).

In the face of increasing global competition, it is actually geographically and culturally contiguous groups that are the foundations for many new alliances.
4.5 Conclusion

Henry Etzkowitz offers a concise summary of the change that have occurred in the higher education sector in the last twenty-five years when he writes,

The capitalization of knowledge has replaced disinterestedness as a norm of science. The new norm has arisen not only from the practices of industrial science and the emergence of the entrepreneurial dynamic within academia but from the external influences on the university, from government policies such as the indirect ones that changes the rules for disposition of intellectual property arising from federally funded research, but also from direct industrial policies (Etzkowitz, 1997:145).

The university, like many other institutions in society, has become more oriented towards the market. Globalization is seen to have weakened the nation-state and disembedded the university from its traditional relationship with it. In response to these changes, a new organizing template for the university has come into being. This template is one in which the University has primarily economic functions and behaviors. This economic focus is in conflict with older traditions and has created some internal tensions. The University has a long history (even if most universities do not) and along with that comes a long memory, one that includes an awareness of the different social roles the University has played in the past. Critics of the new template fear that the social roles will disappear and that the University will be driven solely by economic concerns.

There are many reasons for the shift. Financial strain caused by massification has led to decreased funding per student for colleges and universities. This has forced many of universities to seek alternate sources of funding. The task of seeking alternate funding and managing an increasingly large and complex institution has necessitated the professionalisation of the administration. This has led to an internal shift wherein the academic profession is being asked to conform more closely to ideals of efficiency instead of collegiality. This internal shift has been propelled by external shifts, such as changing ideas about governance and economic efficiency in Western society, not to mention a general increase in global competition. Innovation is now seen as increasingly important in order to keep ahead of the competition and aid in economic growth. The University’s role in producing innovation and knowledge means that more people are interested in what the University can do. Add to this the fact that international higher education services are worth upwards of $30 billion a year and it would be no surprise if the capitalization of knowledge became the increasingly dominant paradigm.
The capitalization of knowledge and the university as a service enterprise have not eliminated other ideas of knowledge or other templates of the University. At most, they have displaced them somewhat. This is in line with the perspectives on organizational change in higher education discussed in chapter two. In looking at the history of the University and Olsen’s four templates, one can see that the University has taken a variety of organizational forms over the years. That trend has if anything accelerated in the current period. In the next section we will look at a new educational organization and the way it balances economic viability and a value-based approach to entrepreneurialism.
5. The KaosPilots. Between values and the market

5.1 Introduction

Having looked at some of the broad trends that have been affecting higher education, I will examine how these trends can be seen in one unusual institution. The KaosPilots – International School of New Business Design and Social Innovation opened its doors on August 5th, 1991 in Aarhus, Denmark. Not a traditional university, the school’s intent since day one has been, “To educate innovative, international and socially oriented entrepreneurs,” (KaosPilots, 2004: 5). To achieve this end, the KaosPilots’ educational aims are to develop both personal and the professional skills in each student. The school’s curriculum focuses on “modern, value-based entrepreneurship” (KaosPilots, 2004b) and freely incorporates from a variety of academic fields. It also has a strong emphasis on ‘real world’ problem solving. This can be seen in the fact that most teachers are brought in from outside the school to teach short units in their areas of expertise and that all projects that the students work on at the school are for external clients (businesses, non-profits, artists, municipal government, etc.). This is said to provide the students with an insight into the inner workings of different organizations and the school with an important funding stream.

This chapter will examine the roots of the school, the Danish context, the material conditions of the school, the curriculum and approach to education, its values and structure, and its relationships with external partners. This description will shed light on this nature of this unusual educational organization and why it is a relevant case-study. It will also lay the groundwork for an analysis of the KaosPilots and their place within the higher education field in the next chapter.

5.2 Roots

The KaosPilots are an organization with roots in a variety of traditions. In line with the school’s playful attitude they made a chart of their influences which covers social movements (the co-operative movement, labor movement), political events (the Spanish civil war, fall of the Berlin wall), artistic schools (Bauhaus, Beatniks), contemporary ideas such as innovating Europe, the fourth sector and modern entrepreneurship, not to mention The Black Panthers, Woodstock, and their own 10th anniversary party (Elbæk, 2003: 172-3).
The chart itself shows the varied roots of the organization and highlights the non-academic influences of this educational organization.

According to the KaosPilots themselves, the organization with the strongest influences on them has been a social movement called the Frontrunners (*Frontløberne*). The Frontrunners were started in the early 1980s to help deal with the problem of youth unemployment in Aarhus and were run by Uffe Elbæk from 1982 until 1991. It was intended to be a ‘playground’ where young people with creative ideas for cultural, artistic, technological, media or businesses oriented projects could find some support (Elbæk, 2003: 153-4). They were, “a very entrepreneurial and also very anarchistic social grassroots environment in Aarhus,” according to Elbæk, and undertook a variety of cultural projects (Elbæk, personal interview). The projects that the Frontrunners undertook were varied in mission and scale (a ‘cultural invasion’ of the Soviet Union in 1989, a house club, a culture magazine, and a bike courier service to name a few), but, “shared a fundamentally positive attitude, solid project management and – most importantly – a good sense of humor” (KaosPilots ‘Frontrunners’) and the desire to empower young people. The logistics of organizing these projects were often quite complex, and it was those experiences which led Elbæk and others to ask the question, “What kind of education should we actually have had to do what we were doing?” (Elbæk, personal interview). He and his colleagues had been educated at the traditional Danish universities and colleges (Elbæk in social work and journalism) but wanted an educational institution that focused on training people how to take ideas and put them into practice. A second factor was the changes that were taking place in Europe at the time (the fall of the Soviet Union and the opening up of Eastern Europe, the transition from an industrial to a knowledge society) and Elbæk and his colleagues felt that, “there is a need for an education that trains young people to navigate in very turbulent times” (Ibid.). In their opinion, there was not an organization they could see that was providing this sort of training. These two ideas; training in how to put ideas into practice and training in how to navigate chaotic situations, and a felt need that this type of training should be available, laid the foundation for the KaosPilots school.

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20 (KaosPilots) as a reference indicates the KaosPilots website; [www.kaospilot.dk](http://www.kaospilot.dk). In this case (KaosPilots, ‘Frontrunners’) indicates that the quote was found from the page entitled ‘Frontrunners’ on the website.
This focus on cultural facilitation marked the early KaosPilot education. It developed later into a program with a more clearly defined entrepreneurial focus (Deichman-Sørensen, 1997:3). According to the KaosPilots, the school has gone through two major phases of development. The first phase was from 1991 to 1999 and has been dubbed the ‘pioneer period’ (The KaosPilots, ‘History of the School’). The first five teams (each entering class of students is referred to as a ‘team’) started in that period (Team 1 in 1991, Team 2 in 1993, Team 3, 4, and 5 in 1995, 1996 and 1997, respectively). The second phase began in 1999 and is referred to as the ‘innovation and consolidation’ phase. A new team has begun every year since 1999 with the twelfth team entering in August, 2005.

The school’s geographic location also has also had an important influence on its intellectual development. Denmark has traditionally had a very progressive educational environment and a strong folk high school tradition (Deichman-Sørensen, 1997: 220). The folk high school’s emphasis on residential environment, self-development and pedagogical freedom can be seen reflected in the KaosPilots. It is perhaps not a surprising influence since the principal grew up at a folk high school where both his parents worked. When asked about this, Elbæk replied that the educational culture in Denmark certainly had an influence, but that in many ways the KaosPilots are very “un-Danish” (personal interview). An American friend of his observed that the school had a mix of the entrepreneurial energy of the U.S. and the value based culture of Europe. He acknowledged that it was not strange that they arose in Denmark, but that he sees the school has having a very global mix of influences that takes the best aspects of the U.S. and Europe (Ibid.)

5.3 The Danish Context

Denmark is a country of 5.4 million citizens that straddles the border between continental Europe and the other Nordic countries. It has an open, modern market-economy, combined with a well-established welfare state, the so-called ‘Scandinavian model’. The standard of living is high and the state provided safety net includes universal health care and free education at all levels. Historically and culturally part of Scandinavia, Denmark has had a more open, user-oriented production, and more flexible local markets then either Sweden or Norway (Deichman-Sørensen, 1997:53). There is also a history of successful production niches, especially in Jylland, where the KaosPilos are located.
The higher education system in Denmark is divided into two areas, the college sector and the university sector. The college sector has more than 150 specialized institutions, one-third of which offer short-cycle (two year) and two-thirds of which offer medium-cycle (three to four year) education. Many of these are merging, and in the medium-cycle area, they are forming Centers for Higher Education (Danish acronym: CVU), which by law must cooperate with the university sector and have research affiliation in their study programs (Danish Ministry of Education, 2002). The university sector is comprised of 11 universities (the oldest of which, the University of Copenhagen, was founded in 1479), five multi-faculty and six specialized institutions. Higher education institutions in both sectors are regulated by the state and financed publicly. They have a large degree of institutional autonomy, but must follow set guidelines in regards to teacher qualifications, programmes, awards structures and quality. In the case of private institutions, they may operate without approval, but they must undergo accreditation in order to make students eligible for study grants from the state (Ibid.). All students at state-accredited institutions are eligible to receive low-interest student loans.

Like many European countries, Denmark had an elite higher education system until the 1960s, when it experienced a massive growth in enrollment (18,000 in 1960 to 53,000 in 1970), (Conrad, 1992: 181). The government policy at the time was one of open enrollment, and the Danish government built new institutions to try and meet the increasing demand. This social demand approach was replaced by a labor market approach in 1975 because of the costs of expanding higher education and the predicted unemployment of graduates if unrestricted admission continued. In 1980, the Danish government switched to a budgetary system based on the number of graduating students which allowed the ministry to earmark research funds for specific disciplines (Ibid. 185). In the last few years a new University Act has been drafted which is intended to strengthen Denmark’s position as a knowledge economy and help prepare students who need research-based university education (Vossensteyn, 2003: 20). To achieve that end, the University Act aims to modernize university management structures (boards with majority external stakeholders, but also including students, academics and support staff) and increase institutional self-governance. The ministry, as part of a broader innovation policy, is also trying to stimulate co-ordination between knowledge institutions and companies. The current tertiary attainment for the 25-34 age cohort is 30.4% (OECD, 2005). Of these students, 56.2% are in the universities (bachelor’s, PhD, or candidatus, the older Danish 5-year degree), 35.1% are in the college
sector (professional bachelor degrees and other medium-cycle higher education) and 8.7% are in short-cycle education programs.

In the Danish system, the KaosPilots started as an ‘educational experiment’ under the Ministry of Education in 1991 (KaosPilots ‘Facts’) and existed as such until they received official status in as a medium-cycle professional bachelor’s degree in 2004 (after undergoing four external evaluations in their fourteen year history) (KaosPilots, 2004). Even as an ‘educational experiment’, students attending were eligible for low-interest student loans (Deichman-Sørensen, 1997: 207). All professional bachelor’s degree programs combine theoretical knowledge, a period of practical study, and the submission of a paper or project. This group includes programs such as teacher training, social work or journalism. There has been an increase of 24% in the number of students doing a professional bachelor’s degree in the period 1994-2003 (Danish Ministry of Education, 2005). 32% of Danish students in higher education are in professional bachelor’s degree programs, up from 28% in 1993.

5.4 Finances

The KaosPilots have had a diverse, and often tenuous, funding base since the beginning. They began with an operating budget of two million Danish crowns (DKK) which came from student fees (2500 DKK per month/student), income from the lecture and consulting activity of the staff, and support from the Ministry of Education. In their second year they received support from the Nordic Cultural Fund, the Danish Ministry of Culture, the European Union’s social fund, and a smaller amount from the municipality of Aarhus (Deichman-Sørensen, 1997: 7). In 2004, the budget was 13-14 million DKK; 44% from the Danish Ministry of Education, 28% from student fees (now 2,750DKK/month with a 25,000DKK start-up fee), and 28% from other sources (projects, workshops, lectures, etc.) (KaosPilots). In November 2003, the Danish government (led by the conservative Danish People’s Party) decided to cut all government funding to the KaosPilots. This decision was partly influenced by the publication of a book, På en bølge af begejstring.\(^{21}\) The book, written by Bøje Larsen and Peter Aagaard of the Center for Business Development and Management at the Copenhagen Business School, accuses the KaosPilots (and two other organizations) of taking advantage of government funding. They also criticize the KaosPilots

\(^{21}\) On a wave of enthusiasm is the suggested English title.
for being without educational content, of being a, “new class of intellectual PR agents” (FagBogInfo), and of using enthusiasm as a driving force for selling their ideas, but without much knowledge or content behind it. The publication of this book led to a heated debate and sharp criticism of it by the KaosPilots themselves. They accused the authors of using aggressive, loaded rhetoric and depending almost entirely on outdated or unreliable sources for their work (KommunikationsForum).

Meanwhile, an evaluation of the KaosPilots undertaken by independent researchers in cooperation with Denmark’s Evaluation Institute (the fourth such evaluation), was underway. In August, 2004 the evaluators concluded that they should become a part of the Danish public education system (Aarsland, 2004 cited in KaosPilots ‘Flight Navigator #35: Official Recognition to the KaosPilots’). It was also in 2004 that the KaosPilots education was officially granted status as a professional bachelor degree. After the Danish government cut their funding the KaosPilots were ‘saved’ by a 1.6 million DKK donation from the Tuborg Foundation (given December 17, 2003) and a strategic partnership with Synnøve Finden ASA (a Norwegian cheese company) that brought in 1.5 million DKK in June, 2004. As of September 2005, the KaosPilots have been offered permanent public support if they become part of the Aarhus Business School. Discussions are currently underway.

The diverse funding clearly sets the KaosPilots apart from other institutions of higher education in Denmark. They have received state funding for nearly their entire history, but have always received just over half from other sources. This has given the school some security, but has never guaranteed that they would always have sufficient funding to keep functioning. In general, more funding has meant the opportunity to participate in more ambitious projects, such as opening educational outposts in San Francisco, California and Durban, South Africa. These outposts have been partly funded by the school in Aarhus, and partly through their own work. It has also allowed the school to expand from a permanent staff of two to a permanent staff of seventeen, and to have three class years in the school at any given time (up from one when the school first started).

5.5 Structure

In addition to the permanent staff, the other core stakeholders within the organization are the approximately one hundred students which are there at any given time. The students are divided into three teams (class years) of thirty to thirty five and the staff are divided into four
'zones'; performance, learning, development and outlook. The performance zone consists of five members and is concerned with the financial and management aspects of running the school. The learning zone consists of the Head of Studies and the four team managers/coaches (each new class of students is followed by one manager/coach throughout their time at the KaosPilots). The focus for this zone is educational; preparing the curriculum and developing educational theory, quality control of staff and the daily running of the educational program. The development zone also has five members, the Head of Development and four project and process consultants. Their job is to find new educational activities (asset-generating), develop and implement new projects and activities, network with the schools external partners, and take care of the school’s business clubs: Inspiration Lounge (Scandinavian and European companies, mostly) and Local Players (companies based in and around Aarhus). Finally, there is the two-person Outlook Zone made up of Uffe Elbæk, the school’s principal, and Karin Barreth, the personal assistant and Head of Office. They are responsible for the overarching vision and strategy for the school, for contact with the Ministry of Education and with the other zones, and for, “being a creative and visionary radar system for the entire organization” (KaosPilots, 2004).

Important to the school, but outside the immediate core of the school, there is a Board of Directors and a sister organization called KaosManagement. The Board has the ultimate responsibility for the school’s finances and curriculum (Elbæk, personal correspondence). It is made up of twelve members; eight external, three students and one staff member. The Board’s membership has transitioned from mostly based around Aarhus, to broadly Danish to Scandinavian. At the moment, the board has five representatives from the business world and three from other educational institutions (Aarhus School of Business, Peter Sabroe Teacher Training College, and the Holte School of Art & Business). KaosManagement is an independent business started by graduates in 1993. They share an address and a set of basic ideals with the KaosPilots, but run their own operation. Other groups that come in and out of contact with the school are illustrated in the figure below. The educational, business, and NGO networks are made of organizations that the KaosPilots are currently in cooperation with, or have cooperated with in the past.
The school’s teaching staff is made up of teachers, consultants and entrepreneurs that the KaosPilots hire to provide for the rest of the school’s educational needs. The advantages of this structure, according to the school’s director, Uffe Elbæk, are that it enables the school to have access to the newest knowledge, allows for changes in the program as they go along, and always provides the students with ‘real world projects’ to work on. These ‘real world projects’ are projects that external actors in the KaosPilots’ network have hired the students to work on. This gives the students a practical, hands-on focus to their education and provides the school’s partners with a group of creative young entrepreneurs to work with. The business clubs, mentioned earlier, are for companies that wish to support the school financially in exchange for access to the school’s network and research. There is usually one organization that is a primary sponsor (such as Carlsberg or Synøve) that sets each team’s group project (in cooperation with the school). Main sponsors have primarily come from Scandinavia, but important collaborations have also been made with European and North American companies. It is also possible to contract the development team for workshops, lectures, project leadership, or personal coaching. This provides income for the school as well as expanding the KaosPilots’ network.
Geographically, the core location for the school is Mejlgade 35, a building and back garden in Aarhus which serves as the ‘home base’ for the school. In addition the school opened ‘outposts’ in San Francisco in 1996 and Durban, South Africa in 2001. They are designed to help students when they head out into the world to work on their projects and to serve as a, “professional and cultural receiver and transmitter for the education. And thereby inspires[sic] the entire organization back home in Mejlgade, Aarhus, Denmark, Europe” (Elbæk, 2003: 192). More recently the school has decided to set up a, “strong cultural and professional platform in Berlin. A priority that forms a natural part of the school's growing focus on Europe” (KaosPilots). Philosophically, the school sees itself primarily as a Scandinavian organization, secondly as a European,, and thirdly as a global actor. This is reflected in the school’s working language (which was Danish/Scandinavian until this year) and recruitment of students (since the 2nd team students have been from the three Scandinavian countries, plus the odd northern European), as well as the school’s contacts (primarily Scandinavian, then European, then more broadly international). The school’s recent expansion of its educational contacts also reflects this Scandinavian/European/global progression. In the fall of 2005, the KaosPilots began cooperating with the Oslo School of Management (Oslo Markedshøyskole, OMH). There are currently 39 students in Oslo who began a “KaosPilots Bachelor” in innovation, creativity and business development this fall (OMH). There are also discussions underway to see about possible educational cooperation with groups in Rotterdam, Malmø (Malmø Høgskola), and New York (The Wagner School, New York University’s graduate school for public service).

5.6 Curriculum

According to the KaosPilots, their curriculum focuses on ‘modern, value-based entrepreneurship’. The KaosPilot Curriculum describes the general goals for the program as:

To work with a practice-oriented project-based teaching method, supported by theory; that all project work has a creative or innovative dimension; that the student acquires knowledge in working from a value-based, ethical, and socially responsible perspective; that the student acquires knowledge and practical experiences in implementing ethical and social responsibility; that the student acquires knowledge and practical experience in being part of an international context, that the students can demonstrate a nuanced attitude towards questions affecting the surrounding
world; that teaching reflects the six values\textsuperscript{22} of the KaosPilots, (KaosPilots, 2004b: 7).

The program also focuses on the intersection between culture and business, making the creative industries a popular field for KaosPilots to work in. The intent, though, is that a KaosPilots education is applicable in all sectors of society (Ibid. 9). Deichman-Sørensen described the core competencies of the KaosPilots as,

\[\text{\ldots aesthetical-ethical, based on an interplay between what we usually call human, social and cultural capital, between personal and social resources, between experience, network(ing) and style (1997, viii-ix).}\]

The intent of the program has been to encourage students to question the way they look at the world, to prepare them to make ethically informed choices, and to develop their ‘capital’ in the social and cultural arenas. The school’s focus is more clearly entrepreneurial than it was at the beginning, but the aesthetical and the ethical have remained key elements of the curriculum.

The three core areas of the curriculum are creative project, process, and business design. According to the KaosPilots’ curriculum, the rationale behind this focus is two-fold; practically speaking there has been a shift towards project work, especially in cultural and knowledge arenas, over the last fifteen years, and secondly that society is increasingly economically dependent on idea generation (KaosPilots, 2004b: 8). Creative Business Design is intended to train students in how to start their own business or to contribute to greater innovation in an existing business. This is done through an exploration of entrepreneurship (including business planning and development), value creation (the financial aspect), the market (in order to better understand clients and markets) and society (in order to understand the surrounding context) (KaosPilots, 2004b: 20). Creative Project Design is designed to teach students to develop projects (their own and others), manage complex projects, and understand idea generation, management, group dynamics and motivation. The third core area, Creative Process Design, focuses on facilitating constructive processes in an organization which allow it to transform its employees’ competencies into

\textsuperscript{22} The six values referred to are playful, real-world, streetwise, risk-taking, balance, and compassion and will be discussed in the next section.
concrete results. The theoretical basis for the course is in the fields of psychology, pedagogy, sociology and organizational management.

There are important exams in the second (group exam in creative process design), third (an individual exam in creative process design), fourth (an individual exam in creative business design) and sixth (an individual final exam based on a project that the student has undertaken) semesters. It is necessary to achieve at least a six on all exams (in the Danish thirteen point system, thirteen being the best) in order to complete the program. The grades for all four of these exams are based on the students’ abilities to develop and undertake a project, supported by written documentation and an oral presentation. In addition to these exams, students do a ‘world placement’ during their third year where they find a work placement with an organization of their choice. There is also a group project during the fourth semester which students have worked on either in Europe (2004) or abroad (Cuba in 2005, San Francisco is planned for 2006). The way educational activities are distributed is illustrated in the figure below.

![Teaching, Practical Project Work, Exams and Preparation, Work Placements, Evaluations](image)

Fig. 2, Intended distribution of student time at the KaosPilots

Alongside the courses and projects, a strong focus is also placed on a student’s personal development. Personal development and professional development are seen to be necessary compliments to each other. One of the ways this can be seen in the KaosPilot education is through coaching. According to the KaosPilot Curriculum, coaching is a process wherein the student meets with a staff member and discusses his or her development with the aim of, clarifying…goals and visions with regard to the learning process…developing the students’ understanding of their own strengths and weaknesses…[and] to enable the student to create and take part in activities that promote study-related, creative, and personal development (2004b: 16-7).
Students have a right to two or three sessions a year and the hope is that it will encourage growth that allows students to take an ever increasing advantage of their potential (Ibid.). In addition to personal and professional growth, a student’s physical well-being is also taken into consideration. Students decide as a group how they wish to integrate physical well-being into their studies (tai-chi, soccer, judo, etc.), but there is always a physical training course of some kind and an acknowledgement that the body needs to function well for the mind to be at its best.

Of current interest for the KaosPilots is the so-called ‘fourth sector’. The fourth sector is conceptualized by the KaosPilots as an organizational field that is at the intersection between the public, private, and voluntary sectors. It combines the self-financing of the private with an interest in the public good and the value-based organizational culture of the volunteer sector. The KaosPilots see the fourth sector as an interesting and growing organization field that they themselves are a part of. The concept of the fourth sector, and its relevance to the KaosPilots, is still somewhat in flux, but they are working to further explore its relevance and applicability for them and society at large, (Elbæk, personal interview).

After the students have completed their education they should (ideally) be prepared to work in any environment where the tasks are challenging, creative, and project-oriented23. The graduated KaosPilot should be an, “agent of change who…acts dynamically and with an eye for alternatives…in order to solve defined assignments and create new opportunities” (KaosPilots, 2004b: 10). The core skills that the KaosPilot learns should be, “situation-based leadership and the ability to develop and carry out projects and business designs” (Ibid.). In the words of the principal, a student has to be, “as disciplined as a solider and as creative as a child,” (Elbæk, personal interview). How this works in reality is an open question, but the KaosPilots appear to have a 94% employment rate after graduation (KaosPilots, 2004).

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23 The employment distribution of KaosPilots’ graduates by sector is: private 30%, self-employed 29%, public sector 15%, organizations 14%, other 6%, unemployed 6% (KaosPilots, 2004).
5.7 Values

5.7.1 Organizational values

A conspicuous trait of the KaosPilots is the emphasis they put on the school’s value system. It is a value system that differs quite dramatically from the traditional academic value system of rationality, *Lern-*-, and *Lehrfreiheit*. Their educational and pedagogical goals are: “to develop a unique educational program and competency environment for young people who wish to make a positive difference in society” (KaosPilots, 2004). Another goal is to make the world a better place (Elbæk, 2003: 262), and in an attempt to clarify how best to do that, the school has had two all-school seminars (staff, board members, and students) to discuss what values and views they, as a group, hold. The 1997 seminar led to the following statements:

- Every person is unique and embodies an infinite potential
- Learning involves the head, the hands and the heart – and is a life-long process
- Life is a condition for change. Change is a condition for life
- Organizations are living systems that thrive on human relations and networks
- Respect differences and value the common
- Live in the present – with respect for the past and a view to the future
- Strive for quality in everything you do, (The KaosPilots, 2004b).

At the second seminar in 2001, the school identified and defined six basic values and attitudes that were essential to their educational program:

- Playful – Being at the KaosPilots has to be motivating and inspiring
- Real World – The students and the staff have to work with real problems, real people and real conflicts
- Streetwise – The school must never be out of touch with what is happening at street level in society
- Risktaking – The program and the staff must be characterized by the will to be brave and take risks
- Balance – There has to be the right dynamic and balance between body and soul, between form and content and, not least, between human, time and economic resources at the school
- Compassion – Human compassion and social responsibility must be the hallmarks of the school. (The KaosPilots, 2004b).

These six values are intended to provide a clear ethical compass for the internal workings of the school, and to make explicit the school’s beliefs for partners or possible partners. Collaboration and partnerships are essential to the school’s identity and survival, but the
KaosPilots make a point of not cooperating with groups who they feel run counter to their values. Partners do not need to be ‘playful’ or ‘streetwise’, but they “should have either the same values as we have, or ambition of social change as we have, or they should have an ambition to be there” (Elbæk, personal interview). For students, it is up to them who they wish to collaborate with. There is no list of who is acceptable and unacceptable and students are encouraged to figure out what their personal values are and who they wish to collaborate with over the course of their studies. The school attempts to make all collaborations with external partners mutually beneficial by trying to insure that both parties know what to expect from one another. To insure the same within the organization, the KaosPilots have a rigorous entrance exam which will be discussed later in this chapter.

5.7.2 Educational values

Some of the educational values underlying the KaosPilots education are to be student-centered, practically-oriented, holistic, and untraditional. They put conduct and experience before book learning or the classical idea of character formation through the acquisition of a shared cultural knowledge. According to Trine Deichman-Sørensen,

The KaosPilots program differs from other educations in that it is not an education for a particular job-function or sector of society or a professional institution linked to a particular professional tradition. The program is instead primarily a different organization of a study-progression. Deeply seen it is an organization that creates frames for its contents, (1997: 66, my translation)\(^\text{24}\).

As opposed to the more traditional method of building a study program around its contents, the KaosPilots have turned that inside out. What this also means is that knowledge does not have intrinsic value for the KaosPilots, but is instead defined by its relevance (1997: 111). This sets the KaosPilots’ educational philosophy in stark contrast to that of the traditional university. ‘Reflection in praxis’ (Deichman-Sørensen’s term, 1997:112) embodies the KaosPilots structure. They are a learning organization whose boundaries and connections with the outside often determine its inner contents (Ibid. 66). They seek to act and be engaged, and then reflect upon the action. This gives them a very flexible structure since what they reflect on changes as each project changes. The challenge in this is to maintain a

\[^{24}\text{This section draws heavily on Deichman-Sørensen’s work Kaospiloterne i Tidens Tendenser, and all references, unless otherwise noted, refer to that work.}\]
stable institutional identity (Ibid. 73). Seen from the perspective of the KaosPilots maintaining a core of stability within a changing and chaotic environment (not in opposition to) is exactly what people need to learn to do, something that is best taught through personal experience.

To help the students to ‘navigate chaos’, the school puts an emphasis on physical and mental self-knowledge. They feel that knowing how to react physically and mentally in challenging situations is essential to successful project work and leadership. In many ways, it is more of a socialization into project leadership (and the KaosPilots’ value system) than a training program (Deichman-Sørensen, 1997:117). Students learn by doing, under expert guidance and in a group of peers, and are introduced to concepts, ‘tricks of the trade’ and frames for understanding the world, while also making personal and professional connections. This type of education is intended to develop a person’s social competencies. It has commonalities with Bildung and with elite education in the Anglo-American world in that it is a socialization and character formation process. It has roots, as well, in the German apprentice traditions as well, where the masters and apprentices mutually invest in one another over a period years (Ibid. 210). This tradition is based on an “organizational and linguistic identification” and can be likened as well to a “pre-modern collective,” (Ibid.).

In regards to being untraditional, the KaosPilots’ point of departure is to, “move in the margins of the known and established” (Elbæk 1996, in Deichman-Sørensen, 1997: 144). It is their belief that to be an entrepreneur, one has to be an outsider. Without a position outside of the centers of power, one would lack either the vision or the motivation to create something new. The KaosPilot experience has also been compared to a fairy tale in that every project is a test of the school’s abilities. Failure means the story ends. If the students or staff do a really terrible job for an external client, the trust and confidence of their partners is lost. Without that trust, the school can’t attract new partners, something their existence depends. On the other hand, every successful project results in a reward (economic, cultural

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25 Social competence, translated from the Norwegian sosialkompetanse, [Soziale Kompetenz in German], otherwise known as ‘soft skills’ is a concept linked to Bildung and is of relevance here. It can refer to skills, attitudes, persona, charisma, motivation, or team spirit for example and is a shorthand term (in German and I believe in Norwegian) which refers to the hard-to-define but essential characteristics that can allow one to succeed, especially in business (Wikipedia, ‘Soziale Kompetenz’)

or social) that makes the ‘impossible’ journey easier. Of course, there is also the hope that somewhere down the road there might just be a princess and half a kingdom for the one(s) that make it through (Deichman-Sørensen, 1997:154-5).

To be practically-oriented for the KaosPilots means to be constantly engaged with partners outside the school itself. It is supposed to be a meeting place, a ‘practical dialogue’ between different businesses, activities, and competencies (Deichman-Sørensen, 1997: 156). All the ideas that come in and are worked through are grounded, firmly, in the practical realities of the organization and its environment (Ibid. 163). Its environment can include nearly anyone that the KaosPilots find interesting or useful. On the one hand the school wants to, “prioritize evaluation, research and academic networks” (Ibid. 201) and so tries to cooperate with groups that can help reach that goal. On the other, they wish to have contact with groups that they see as interesting, wherever they may be. A list that Elbæk made of groups that the school would be interested in collaborating with included,

- musicians in LA,
- computer freaks in India,
- Japanese fashion designers,
- Spanish architecture students,
- strange old Finnish philosophers,
- heartfelt Russian poets,
- German environmentally conscious industrial design,
- Swedish social-democratic economics,
- and young ambitious English professionals (Note from the principal 1994, in Deichman-Sørensen, 1997: 201, my translation).

What the school can offer all of these potential partners is a chance to join in a dialogue with the school and their other partners, in essence to have access to a wider world of other interesting projects. The Frontrunners often used cultural capital (good connections, invitations to the best parties, status by being associated with their milieu) to pay their employees (money was best invested in new projects) and the KaosPilots follow in the same vein by using the knowledge they have as their capital and item of exchange (Deichman-Sørensen, 1997: 207). The network they have is in many ways defined by interest and values, which mean that those they work with also, want to meet each other as equals in exchange rather than as simple consumers.
5.8 Stakeholders

5.8.1 Partners

The structure of the KaosPilots is such that they have a small core and a very wide network. Their teachers come from the outside; their projects come from businesses that they have cooperation with; and they make a point of being close to the ground and knowing what is happening in society. Not having a set in-house teaching staff gives the school the flexibility to tailor its courses each year depending on the needs of the students and the clients, and the direction the school wants to head in. They claim that this allows them to stay on the cutting edge, a place they pride themselves on being. In a list of projects the KaosPilots were involved in from December 2004, there were over 80 partners, ranging from individual artists and designers, to governments, banks, major corporations and universities around Europe (The KaosPilots, 2004). Some of the more well known partners have been Lego, Tuborg/Carlsberg, TeleDanmark, SAS, Apple, and The Body Shop (Deichman-Sørensen, 1997: 221-2).

One of the characteristics of this type of structure is that it makes the KaosPilots dependent on other organizations for their survival. Labeled a ‘parasite organization’ by Deichman-Sørensen (1997: 41-2), this type of dependence (despite the name) need not be negative. The KaosPilots believe that all partnerships should be mutually beneficial. Since they define knowledge as a type of ‘practical dialogue’ (Ibid. 156), their idea of exchange is one between equal-status partners. Partnerships that prove to be particularly beneficial are carried on, and the KaosPilots have some stable long-term partnerships (for example with the Aarhus Business School). They maintain these while still seeking to create new partnerships to keep themselves connected to new and interesting social-cultural activities or businesses. One of the challenges this presents is to be flexible, innovative and changeable, while still being maintaining stable partnerships and maintaining a stable organizational identity. The KaosPilots are very aware of the tension between these different goals and they continue to work towards balancing them on a daily basis.

What this means in terms of influence is that it changes from day to day and year to year. Each of the first six teams had a unique identity which was linked to an area that the school wished to explore more fully. This meant that each team was an independent project, within the frame of the school, whose existence in turn helped the organization to grow and expand.
The second team for example was labeled the ‘Nordic’ team because its background theme was democratic decision making in the Nordic countries and it incorporated students from the Norway, Sweden and Denmark. To further their exploration of democratic decision making, the team worked on their final group project with VISA founder Dee Hock and explored ‘chaordic’ principles of organization. This was a part of the school’s on-going interest in how organizations work, which nowadays find expression in the school’s focuses on the ‘fourth sector’, though it is not as explicitly linked to individual teams as the projects were in the past.

Each partnership leaves an impression on the organization and shapes the path the KaosPilots will follow. According to the Elbæk, the groups that the school wants to learn from are many and varied. In regards to cooperation with elite military forces in Denmark and with a circus, Elbæk said:

So, for example, for us it is very, very interesting when we meet very, very disciplined organizations, because they perform on a really high level. At the same time we think it is wonderful to meet really, really crazy artists because they are completely far out there. So we are attracted to both positions. And then we try to find, for sure, the best people, with the best hearts in these organizations, (Elbæk, personal interview).

The school focuses not only on the professional qualifications of the people they cooperate with, but on their interests and compatibility with the KaosPilots’ idea of themselves. Finding compatible partners has been important to the school since they began. Considering how open the organizational structure is and how dependent the KaosPilots are on their external partners, for reasons of their public image as much as their financial stability, it is perhaps not surprising that they exercise care in choosing who to work with.

5.8.2 Students

That same care in choosing partners goes into choosing the school’s largest group of internal stakeholders, the students. The students are the representatives of the school in the outside world, they are the ones carrying out projects and work for external clients, and they will work in close cooperation with the staff for at least three years while they are studying. When they enter the school for the first time, they are introduced to all of the other students and the staff and given a set of keys to the building and some business cards. These
symbolize that they are equal members of the school’s environment, and that they should not lose any time in building their personal networks (Elbæk, 2003: 53).

To insure that the students coming into the school share the same ideas and values as the KaosPilots and that they have the wherewithal to handle three years there, the KaosPilots have a fairly rigorous entrance exam. In order to be eligible for admission, potential students need to be at least 21 years of age (the average age is 24), have experience working in project culture, and be able to express themselves verbally and in writing in both in English and, up until the team beginning August 2005, at least a beginner level in a Scandinavian language as well. The application process itself has two phases. In the first phase, applicants fill out a questionnaire of approximately fifty questions which gives the school information about the applicants’ background, work experience, language and IT skills, values, interests, etc. In addition, the school sets a creative assignment which all students are asked to complete. Based on this two-part written application, a group of about seventy potential students are chosen for a two-day admissions workshop27. At the workshop, students are broken up into groups of 8-10 by nationality and spend the weekend working on individual and group projects. One of the responsibilities for the current first-year students is to organize the admissions workshop. They also give feedback to the staff about how the applicants performed during different exercises and whether they think they should be admitted or not. The final decision about admittance is made by the staff, however (KaosPilot student, personal interview). This gives the school an opportunity to assess the applicants’ maturity, ability to work independently and in groups, and professionalism. Based on all of these factors, a group of 30-35 students is chosen to be the next KaosPilot team, out of which five will probably drop out. According to the KaosPilots, the logic of the admissions process is to,

...guarantee new students that the school is populated by like-minded creative young talent. By young people who – despite coming from totally different cultural and social backgrounds – all have entrepreneurial potential. And above all, the will and passion to develop socially responsible leadership in the organizational and business contexts – large and small – they operate in. Both during and after their education at the KaosPilots (KaosPilots, ‘EntranceExam’).

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27 In recent years, there have been 150-250 interested applicants each year, (Elbæk, personal correspondence)
By insuring that each new group of students is diverse in terms of experience yet similar in their basic values and potential as entrepreneurs, the KaosPilots make sure that they will keep a steady stream of new influences coming in, something intended to help them maintain their uniqueness\(^{28}\).

The entrance exam clearly sets the KaosPilots apart from other schools in Denmark’s higher education sector. It is more reminiscent of the entrance process at elite American colleges and universities (with their essays, references, interviews, test scores and recommendations) then anything in Scandinavia. That is perhaps, also the intent. Just as brand-image is tremendously important to elite colleges in the United States, so to is it extremely important to the KaosPilots\(^{29}\). Without the good will and continued respect and cooperation of their external partners, the school would not have survived. If the KaosPilots’ students did not successfully complete their projects, the school’s reputation would decrease and no one would contract them to do more work. It is the same with elite education in the U.S. If Harvard graduates stopped being successful, the schools cachet would decrease and fewer people would want to attend. Ivy League schools control for the success of their students at the point of admission by accepting only students they think will succeed both during their time at school and after. Institutions in northern Europe, generally speaking, control at the point of exit. The KaosPilots are in a position where they lack full state support, do not have a long academic tradition, and see themselves as outsiders. Therefore, their success depends on maintaining a successful public image. If they did not control who could be a KaosPilot at the point of entry, anyone could define themselves as one (if they so chose)\(^{30}\). If anyone who took a liking to the name did so, it would quickly become meaningless. For an organization with as tenuous a structure as the KaosPilots, that would be disastrous.

In the book *KaosPilots A-Z*, written by Elbæk, the following statement appears under the heading “Elite”:

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\(^{28}\) Nearly all the students have attended an institution of higher education previous to their arrival at the KaosPilots, (Elbæk, personal correspondence).

\(^{29}\) I am indebted to Michael Ewing for sending me Malcolm Gladwell’s article from *The New Yorker* about admissions and brand-imaging at Ivy League schools.

\(^{30}\) In an interview with a current KaosPilot student, I was told that after graduating, the student will identify as ‘a KaosPilot’. The student felt that to say, ‘I have a professional Bachelor’s degree from the KaosPilots’ did not do justice to the nature of the educational experience.
The highest goal of the school has always been to challenge and develop each student’s unique talent – aimed at achieving the highest possible professional and personal levels of quality and competence. That’s the context we have for seeing the KaosPilots as an elite education. The word elite comes from Latin, *eligere* – to choose, to select. Which is what the school and its staff do every single day in accordance with the goals and ambitions of the education…It’s a life philosophy: aiming for the sublime and unique in everything we touch…striving to meet ourselves where we have the greatest potential. That’s elite thinking at every level (of society). And it’s a philosophy the KaosPilots are willing to stand on the frontline to defend (2003: 126).

It is worth noting that the school found it necessary to define the term elite, possibly in order to avoid negative implications associated with the ‘elitism’ in Denmark. The main point, however, is that the school defines itself as not only special with this term, but links it to a constant striving towards their ‘greatest potential’. There may be an implicit attack on traditional higher education here, or at the least a ‘thumbing of the nose’, but that sort of attitude is probably one of the factors that has helped the KaosPilots to survive and succeed over the last fourteen years.

5.9 Conclusion

Since entering the higher education sector with thirty students and two full-time staff in 1991, the KaosPilots have gone on to graduate over two hundred students, expand from two to seventeen full-time staff, open educational outposts in the United States and South Africa, start a “KaosPilots Bachelor’s” in cooperation with the Oslo School of Management, receive official recognition (and praise) from the Danish Evaluation Center, and have recently started with their twelfth team of students, this time with English as the official language. All of this has been done while consciously maintaining a position outside the mainstream, having no concrete linkages to a specific profession or body of knowledge, and receiving more then half their funding from private sources (28% from student fees) in a socially-democratic country with tuition-free state-supported higher education. On the other hand, they have been criticized for being a ‘trend’ without educational content, one that is taking advantage of state funds and selling enthusiasm without anything to back it up. They are also ‘being steered’ by the Danish government, wherein if they join the Aarhus School of Business (terms as yet uncertain) they will receive state-funding again.

There are points to be taken from both sides of the argument. Either way, the school’s development from an educational experiment with anarchistic youth-culture roots, to its
status as an officially recognized professional bachelor’s degree is an interesting story. What is also interesting is to look at the factors that have enabled this to take place. According to Elbæk and his colleagues, there was a hole of sorts in the Danish higher education sector where there needed to be training in entrepreneurialism and project-management. The KaosPilots have filled this hole (for better or worse) and are facing a cross-road now which can lead to integration into the Danish higher education system, or a perhaps equally uncertain future outside of it.

In the next chapter we will take a closer look at the KaosPilots and their organizational template. The KaosPilots will be compared with other educational templates and examined within the context of contemporary higher education. We will also use the theoretical perspectives developed in chapter two to examine some of the changes to the KaosPilots that have taken place. From this analysis we will be able to see better where the KaosPilots have come from, how they fit in the field of higher education, and in what ways they represent a new organizational template.
6. KaosPilots in historical and contemporary perspective

6.1 Introduction

Chapter three and four looked at some of the ways the (European) higher education sector has developed over the last two hundred years, focusing specifically on the different archetypes of the modern University and how the University has related to other social institutions. Chapter five has taken a look at one unusual institution, the KaosPilots, and their history, structure, and philosophy. It is now time to take a closer look at the KaosPilots and place them in the context of the higher education field. We will compare the KaosPilots to Olsen’s (2005) four templates of the University in order to see what similarities and differences exist. We will also look at how the KaosPilots compare with some institutions in the non-university sector of higher education as well in the hopes that will also shed light on their organizational roots.

It is unlikely that the KaosPilots would have been able to enter the higher education sector at all if they had no connections with pre-existing models. Resource dependency theory would argue that the KaosPilots have been able to succeed specifically because of their differences from other organizations. Neo-institutionalist theory would argue that the KaosPilots have been under the same institutional pressures as other organizations and therefore they should be experiencing isomorphic pressure to conform. Stensaker and Norgård’s (2001) perspective, that institutional identity determines whether an organization becomes more or less like others, is very relevant here due to the importance of organizational identity to the KaosPilots. In the following chapter, these concepts, along with a look at some of the forces at work in the higher education sector today will be used to identify the key factors that explain the KaosPilots’ arrival into, and success/survival in, the Danish higher education sector.

6.2 Archetypes revisited

In going back to Greenwood & Hinings, we find this description of the archetype concept,

The pattern of an organizational design is a function of an underlying interpretive scheme, or set of beliefs and values, that is embodied in an organization’s structures and systems. An archetype is thus a set of structures and systems that consistently embodies a single interpretive scheme (1993: 1055).
Finding an organization in higher education that represents one interpretive scheme is nearly impossible considering the great diversity of missions, interests, and stakeholders that one finds in every university. Finding a dominant interpretive scheme may be easier at other types of educational institutions; professional schools, vocational schools, liberal arts colleges, or religious institutions for example, but even there one is certain to find multiple elements at work. Greenwood & Hinings also write that, “…within a given institutional sphere, only a small number of archetypes are legitimized. The number will vary with the extent to which a particular sector is institutionalized” (1993: 1059). In the higher education sector the University has been the central referential institution and has had some power to legitimize archetypes. Since massification, the number of legitimate archetypes has increased, and since globalization has effected the sector, the number as increased again. Nonetheless, the University is still central (perhaps even more then before) in contemporary Western society and must be examined in order to understand the history and dynamics of the sector.

Before beginning, it is important to make note of two more key points from Greenwood & Hinings. The first is that, “Structures and systems reflect and embody ideas and values. To the extent that structures and systems reflect and embody ideas and values, an observer can talk of archetype coherence” (1993: 1069). In other words, one needs to find the value systems at work in the institution and see how the structures relate to it. This is not so difficult in the case of universities, due to the vast literature on higher education. In the case of the KaosPilots the information is more limited (in terms of quantity and sources) but an attempt has been made in this thesis to formulate a picture of their structure and values. The second point is that there will always be organizations that are not in a complete ‘state of fit’ (Ibid. 1065). The implication here is that the KaosPilots may be a variation on another archetype and not something new.

6.2.1 A self-governing community of scholars revisited

Structurally, the KaosPilots bear little resemblance to the university as a self-governing community of scholars. This template became an organizational reality in the University of Berlin in the early 19th century. The constitutive logic is one of free inquiry, truth finding, rationality and expertise. It is governed by internal factors and the actors share norms and objectives. Assessment is based on the quality of its scientific research, and the institution
changes only as science itself changes, unless a crisis forces a faster change. Its institutional relationships are dominated by its connection with the nation-state. The archetypal University here is very closely tied to the nation state. It receives all of its funding from the state, sends many of its graduates to join the civil service, and lends its scientific achievements to the greater glory of the nation. This limits the University’s ties with other groups, namely the church, since that would constitute a conflict of interest. Its relationships with civil society is indirect, and likewise with the economy. The production of new technology to help the nation-state compete is not yet an explicit goal.

The community of scholars was quite isolated from the world around them, something that was considered necessary for the process of science. The KaosPilots on the other hand are interested in direct engagement with different parts of society and with practical use value of knowledge. In this, the KaosPilots may have more in common with some of the other institutions of the time such as the grandes écoles in France or the land-grant universities in the United States.

Two areas where there is reason to compare the two templates more closely are elitism and educational philosophy. Just as the University as a community of scholars was an elite institution (as were all higher education institutions at the time), so too are the KaosPilots. Whether elitism is a necessary prerequisite for the type of education they offer is an open question. However, both are involved in the transmission of culture and selection of elites. One important difference is that the Humboldtian University was transmitting high culture and creating the dominant social elite, whereas the KaosPilots are transmitting a more alternative culture and creating a very different kind of elite.

In terms of educational philosophy, the University as a community of scholars was one in which the concept of Bildung was supposed to guide education. In the time of the Humboldtian University, upon which Olsen’s first archetype is based, Bildung was a form of character-formation-through-research for the men that would pass through the university on their way to the civil service. Nowadays the institutional landscape is quite different and few universities proclaim character formation as part of their mission. The KaosPilots, however, may be an exception to that. Their focus, not on training students for a specific career, but rather instilling in them certain social competencies that will enable them to work (and ideally succeed) in a variety of different settings, is reminiscent of the Bildung concept.
The KaosPilots have articulated their values in cooperative seminars which included all students and staff. The idea that students should come to know themselves and define their values during their education goes back to the beginning of the school, however. This process of self-discovery and enlargement of social competencies is not limited to the students, but is also one of the ideas behind the development of the school itself. The KaosPilots have tried to expand the school’s competency areas as it as grown. The Humboldtian University expanded its competency through the scientific curiosity of the staff. The KaosPilots do so through the curiosity of their staff and students, but whereas scholarly Bildung was strongly tied to disciplinary curiosity shaped by rational exploration of the world, the KaosPilots curiosity is defined more by a value-based engagement with the world around them and has an activist bent that desires the world to ‘become better’.

Bildung tried to prepare students for a life of service to the ideals of rationality and science and most probably to the nation-state as well. The ethics that it was founded on were a commitment to rationality, to disinterested inquiry, to Lehr- and Lernfreiheit. The neo-Bildung that the KaosPilots are offering is intended to prepare students to deal competently and confidently in constantly changing work and social environments. Its ethics are based around a broad engagement with the world, in using knowledge contextually, and in taking a subjective approach to problem solving. Bildung is predicated upon a distance from the world that is necessary in order to conduct research. The KaosPilots proclaim their distance (in perspective) from the mainstream, and use that distance to offer what they believes to be fresh perspectives. As a reality, Bildung quickly became a superficial gloss, something to enable one to converse at fashionable dinner parties. Even today the term Bildungsbürgertum refers to a well-educated member of the middle or upper-middle class that can discuss Foucault, post-modernism, French literature and contemporary Chinese cinema (for example). The KaosPilots have received similar critiques, that their graduates are merely cocky self-promoters who have mastered the relevant buzz words without much content. Behind Humboldt’s Bildung and the KaosPilots’ neo-Bildung, however, is the same basic idea that education can serve to develop the whole person and lead to a richer understanding of the world as a result. A reason for the difference in approach to knowledge in the two settings (Humboldtian, internal; KaosPilots, external) may be that at the time of Humboldt, the universities were trying to consolidate themselves as the primary site of knowledge production in society and that today, knowledge production has expanded and takes place in many different locations.
6.2.2 An instrument for national political agendas revisited

This template developed in the wake of WWII, though the university-as-political-instrument goes back to the middle ages. In it, University actors have shared norms and objectives but the University’s operations are governed by environmental factors. The logic behind the University is to implement political objectives and the institution is judged on how successfully it does so. Changes take place as political agendas are altered and goals are reassessed. The University is still closely linked to the nation-state in this case, but it is now subject to the decisions of the state in regard to its research agenda. This model of the University is also quite internally fragmented. Different parts of the University are involved with different political agendas and each has different allies outside of the institution. Student numbers are increased in this model, but again, it is still centered on political ends. If the state needs more engineers, more engineers are trained, etc. The university’s relationship to the economy in this model is more direct. This change came about as the expectations for how the universities could contribute to society increased after the important role they played in WWII.

The KaosPilots are different in some important ways from this model, but they may have an underlying similarity. The KaosPilots are not as internally diverse. Though there are always a number of diverse projects under way, they are often based on a common set of organizational values and a common approach to project management. The KaosPilots’ diverse funding also sets them apart from the University-as-instrument. That could change in the near future, though, since the KaosPilots are facing a pressure to join the Aarhus School of Business in exchange for full-funding. Looking more closely at when the KaosPilots were founded might show a similarity, though. The early 1990s was a time when there was starting to be more discussion about the knowledge economy and the role of higher education to contribute to the economy. The KaosPilots’ focus on creativity and innovation\(^{31}\) may be a reason why the school was granted its status as an educational experiment in the first place and why it is being pressured to become part of the system now\(^{32}\).

\(^{31}\) “Where Creativity and Innovation go to school” is one of the school’s new mottos.

\(^{32}\) I do not know what the actual motivations of the Danish politicians have been, but the increasing discussion of innovation’s role in the economy could be a reason for the school’s acceptability in the Danish system.
That the school has remained partly private up until now has given the KaosPilots more agency, though a strange sort that allows them to decide who they will be dependent on. This has made their economic situation quite tenuous, but it has allowed them to retain a certain amount of independence as well. It has also meant that their relationship with the state (up to this point) has been more cooperative and less instrumental\(^33\). In the University-as-instrument, institutional goals are set by those outside the institution. In the case of the KaosPilots, they had to meet certain basic requirements, but the setting of organizational goals has been an internal task. The relationship might be about to change, but negotiations are still underway and what will happen is unclear. It is a change in dynamic, and it is possible that the Danish state wishes to use the KaosPilots in a more instrumental fashion. It will be interesting to see how this situation develops further\(^34\).

6.2.3 A representative democracy revisited

The KaosPilots has important commonalities and differences in relation to this template. On the one hand the KaosPilots are an institution which is quite elite in its admission policy, something which goes against the spirit of representative democracy. On the other, they are non-hierarchical and the students have a great deal of agency in the organization, a shift in higher education that began in earnest with this model. It is possible that the KaosPilot model is more akin to the collegiality of elite colleges than to the popular democracy of larger institutions, but there are probably elements of both. In looking to Trow’s (1970) popular and autonomous functions\(^35\) we can see both at work. On the one hand, the KaosPilots are interested in creating useful knowledge and in bettering society. On the other, the knowledge they create enters society indirectly and usually goes to benefit a paying client. In this sense, it is again more like the community of scholars or a collective based on shared interest or goals, where the KaosPilots and their partners represent a society within a

\(^{33}\) I base this assumption on the KaosPilots’ website, which makes occasional mention of visits by Danish ministers and generally amicable relations with the Danish government, and the tone of my discussion with Uffe Elbæk.

\(^{34}\) Elbæk has said that the KaosPilots have good relations with the Aarhus School of Business, but that there are some fundamental differences in the way they work. The example he gave was that when students from the two schools have cooperated, the students from the KaosPilots were more used to working very hard to meet a tight deadline (Elbæk, personal interview). Different organizational cultures can often be a problem when businesses and academics cooperate. This also illustrates that the KaosPilots often see themselves as more closely related to business then academics.

\(^{35}\) Popular: provide places for all, provide useful knowledge for all. Autonomous: transmission of high culture, creation of knowledge, formation of elites.
society that is pursuing its own interests, which only filter into the broader society on occasion.

Ideologically, the KaosPilots and the University-as-democracy seem to share a belief in democratic decision making. One of the beliefs was that the democratization of the university should reflect the democratization of society. This model, though, which arose in the wake of the 1968 student revolts, is predicated upon conflict and bargaining for power. This took place in the wake of universities starting to interact directly with more and different social groups than they ever had before. Instead of relating to society through the nation-state, the University began to deal with different groups in society more directly. Many more students entered higher education and brought with them different ideas about what it should be. The KaosPilots, in contrast are an institution which is intended to be ideologically coherent. As in all organizations, groups differ and there are struggles for power, but the admission process insures that students and staff will be working from a relatively common ideological base.

6.2.4 A service enterprise embedded in competitive markets revisited

Elements of this model have existed in the United States for quite some time due to its large private higher education sector. In Europe, and particularly in Scandinavia, this model does not go back much more than two decades. In this model the actors have conflicted norms and objectives and the university is governed largely by environmental factors. Its logic is to serve the community as a part of a market exchange system. If the university meets the demands of its community, is flexible, economically viable, and survives, it is successful. It changes based on competitive selection, rational learning, customer relations, or changing circumstance. Its relationship to other social institutions is mediated by the market and it is more focused on customer satisfaction, customers being broadly defined as anyone who the organization is in an exchange relationship with.

The KaosPilots share certain elements with the service enterprise archetype. In terms of their constitutive logic, they value survival, flexibility and economic viability as markers of success. They are also oriented towards good relations with their community of partners. Since their funding is diverse, they need to insure that their stakeholders (clients, students, and government) are satisfied or they will lose their patronage. The fact that they operate in such a market-like manner in Denmark, a country that had no private higher education
institutions as recently as 1989 (Conrad, 1992: 179), is indicative of how much this archetype has spread. Another relevant similarity is governance. The service enterprise archetype favors strong executive governance so that the institution can change quickly to meet community/consumer/stakeholder demands. In the case of the KaosPilots, different groups have different responsibilities, but the two person Outlook Zone (the principal and the head of office) is in charge of figuring out which way to steer the organization. This reflects the broader trend in higher education towards more executive institutional governance. The lack of tenured faculty to present a counter-point to the administration is also something that gives the KaosPilots the flexibility which currently seems to be so highly vaunted in some higher education circles.

There are some key differences, however. Firstly, the KaosPilots are a value-based service organization. The ethical dimension mediates the way they interact with the market. This means that though they are interested in creating a satisfied community, their community is limited. The school wants to expand and attract new members, but within certain guidelines. In light of Clark’s (1998) belief that a strong entrepreneurial culture helps universities, or Marginson & Considine’s (2000) belief that academics and administrators need to be brought together into one culture, the school’s strong value base can be an advantage. Since the KaosPilots are an organization based more on new business models than a strong academic tradition, they choose a governance structure more similar to a dot-com than a university. This means that they are able to side-step the problems some universities are facing in trying to reconcile collegial governance and stronger executive decision making.

Also worth mentioning is the school’s attitude towards capital. Social, cultural and economic capital are all important to the functioning of the organization, but what they have to offer others is more cultural/social then economic. This attitude is fairly central to the KaosPilots and makes for an entrepreneurial culture that might have something in common with an ‘academic entrepreneurialism’, despite its non-academic foundation.

Since this is the most recent archetype to emerge and the KaosPilots are a young organization, it is not surprising that they have a number of features in common. The same forces that created the service enterprise archetype are those that created the KaosPilots. The KaosPilots could be seen as a mutation/variation on the same theme of orienting higher education closer to the needs/wants of the community; however ‘the community’ is defined by the organization.
6.2.5 Short- and medium-cycle, private and proprietary education

It is also important to compare the KaosPilots with some of the institutions which have arisen in the non-university higher education sector. There have long been non-university educational organizations; religious schools or schools offering professional training, (in engineering for example). With the rapid expansion of the higher education sector after 1960, there was an increase in short-cycle and medium-cycle education, private institutions and more recently, proprietary education. These institutions have, in a sense, taken over tasks that the universities, “would not or could not fulfill adequately” (Geiger, 1992: 1042). Though Geiger here refers specifically to private institutions fulfilling tasks that the state did not choose to fulfill, I think it can refer equally well to the non-university sector.

Like short- and medium-cycle education, the KaosPilots have a more practical focus. They are defined as a medium-cycle professional bachelor’s degree and must combine both theory and praxis. What sets them apart from traditional short- and medium-cycle education is that the knowledge they work with is not linked to one profession. It is intended to fit into a variety of different settings, ideally anything that requires works to be done as projects.

The KaosPilots do have similarities with private institutions in that they have a more focused institutional mission. Referred to as ‘specialist institutions’ by Hannan and Freeman (1978), “specialists tend to be focused, narrow, coherent, and selective in their operations” (Levy, 1992: 1183). To be private is not to adhere to a particular organizational template, however, since private institutions can be anything from Bible colleges to elite universities to buy-a-degree organizations. The fact that they are more focused and coherent, and that they take over where public institutions leave off, are both relevant points in regards to the KaosPilots.

The KaosPilots are not a for-profit institution, but it is still worth looking at how they compare to proprietary higher education institutions. Williams and Chui write that,

Unlike formal schools, which are purposely insulated from output markets so that they will not be influenced by passing fads and will thus be able to transmit the dominant culture, proprietary schools must in theory successfully train and place their trainees in jobs at a price equal to or lower than their competition or go out of business (1992: 1195).

Since these institutions are dependent on student fees and need to offer what their clients are willing to pay for, they must change with social trends. The KaosPilots also try to change
with the trends, but they claim it is merely to be on the cutting edge. There is a competitive
element (Elbæk wants the KaosPilots in Aarhus to stay ahead of any others KaosPilot groups
that may arise), but it is also strongly ideological. Since the KaosPilots are partly public and
partly private (but see themselves as a fourth sector organization), it is inevitable that some
comparisons could be drawn, but that there would not be an exact fit.

6.3 KaosPilots in contemporary context

It is useful now to take a closer look at some of the institutional factors impacting the higher
education sector. Globalization and its offspring (internationalization, the decrease in the
relevancy of the nation-state, increased competition), increased entrepreneurialism, and
changes in knowledge production (mode 2, push to innovate), have all impacted higher
education and led to changes across the sector. We will explore here the relationship
between these factors and the KaosPilots.

6.3.1 Globalization: Internationalization, the revaluation of place and competition

Globalization’s effects on higher education are many, but we will focus on a few of the more
salient ones; increased international connections and the changing meaning of place, the
shift from a production-based economy to a knowledge-based economy, and increased
competition. The increase in volume and importance of international connections is obvious
and visible to all. One of its effects has been an increase in the number of common products,
media sources, and cultural influences which we are exposed to. In reaction to this, there has
been a counter, anti-homogenization movement which (re)values places for their distinct
characteristics. In the case of the KaosPilots, their identity is connected to Aarhus, to
Denmark, to Scandinavia, to Europe, to San Francisco, and to the rest of the world (in that
order). They value having connections all over the world and view them as positive
influences on their organization, but they place a higher value on their base. In a prospectus
they sent out to potential investors and others in their network in December 2004, they stated
that, “…the KaosPilots intend to be the co-authors of generation 2.0 of the Scandinavian and
European welfare society” (KaosPilots, 2004). How this will work is unclear, but it does
illustrate the priority they place on their situation within Scandinavia and Europe. What they
have done recently is to start a cooperative program with the Oslo School of Management
and continue negotiations with a variety of other schools. They have also changed their
international profile by switching the working language to English. When asked why, Elbæk
admitted that it was partly to keep the KaosPilots in Aarhus ahead of any of the other organizations they cooperate with (Elbæk, personal interview). The students are still overwhelmingly Scandinavian, and though there is concern about losing touch with the Scandinavian environment by switching their working language, the school’s principal is very much aware of this and is himself curious to see how it affects the school’s environment.

This increased marketing/importance of place is also linked to the oft-heralded demise of the nation-state. Whether the nation-state is dying or not is beyond the scope of this thesis to discuss, but what has happened is that localities both above and below the level of the nation have become increasingly important. The European level has become increasingly important in terms of policy, economics and possibly identity. The local level’s importance has also been reemphasized, as supported by some recent work in innovation studies (Archibugi & Iammarino, 1999; Gertler & Levitte, 2004; Castellacci et al., 2005) and by an increasing academic interest in global-national-local dynamics (Marginson & Rhoades, 2002; Fløysand & Jakobsen, 2001). They have probably always been important, but now they are important because they can be used to sell a location to interested parties. When people and companies can be anywhere, and are often looking for a better place, to sell one’s own location can bring important benefits. This dynamic is not unique to the higher education field, nor are the KaosPilots unique in making the most of their location. Rather, their relationship with Aarhus can be seen as a reflection of the broader necessity of local situation in a global market.

Underlying increased internationalization and the changing importance of place is increased competition. The school has increased its international profile to strengthen its position relative to other programs. It values Scandinavia and Europe above other areas because it is where the school’s roots are and because it is invested in the success of those areas in comparison with other parts of the world. Cultural similarity based on shared history and geographical proximity certainly plays a role as well, but the intent seems to be to strengthen itself by helping other European actors to strengthen their relative positions as well.

6.3.2 The entrepreneurial/enterprise/service university.

There has been a shift recently in higher education towards more flexibility, more diverse funding, and more involvement in developing new activities in cooperation with industry.
This shift has been caused to some extent by decreased state funding (though in Scandinavia, most funding comes from the state either directly or through the research council and has, generally speaking, not decreased that dramatically) that has forced universities into the marketplace (so to speak). This has proven quite successful in certain areas (bio-technology, computer science, optics) where the line between industry and academy is blurry. In other areas it seems as if the universities and industry still have to come closer in their research goals and methods before they can be willing and successful partners.

The KaosPilots start from a different position. They are interested in engaging with anyone that is interested in social change and needs a project manager or some creative input. They market their non-traditional approach to businesses and government and try to have working relationships with academics, artists, clowns and elite soldiers to keep things interesting. They do this in order to build their own competencies and other groups work with them because they feel that they have something to gain as well. In terms of Clark’s (1998) five traits of entrepreneurial universities (a strengthened steering core; an expanded development periphery; a diversified funding base; a stimulated academic heartland; and an integrated entrepreneurial culture), the KaosPilots meet three and half out of five. The strengthened steering core gets half credit because the organization is small, flexible and cohesive enough that the steering core does not need to be strengthened more then it is. A stimulated academic heartland is perhaps lacking in the KaosPilots, but since they create themselves as the practical to the university’s theoretical, this should not be surprising.

There is a danger that of comparing ‘apples and oranges’ since the KaosPilots do not have the same academic values or goals as a traditional university. The modern University, in any of its templates, has had a professorate at its core that has maintained academic values based around a rational, rigorous, scientific method. The KaosPilots do not have that core stakeholder group, nor do they maintain those values. Nonetheless, they are a successful organization in the sense that they have survived and grown in the higher education sector and have managed to meet the Danish criteria for what a professional bachelor’s program should be; a combination of practical and theoretical knowledge. This key difference in structure (lack of tenured academic staff and an accompanying faculty-based structure) may be an element in the organizations success. It gives the staff a great deal of flexibility in regards to making decisions about where to steer the institution. Since the students have shown their commitment by going through the admission process and committing
themselves financially to the institution, it is reasonable to assume that they are also relatively agreeable to the direction the school’s leaders want to head in. On the other hand, the organization may not be as flexible as they sometimes proclaim. They claim to have an incredibly strong organizational “DNA” (Elbæk, personal interview) which serves to steer the institution but which is hard to describe or replicate. Though in most ways it is absurd to compare a fourteen year old organization with a five hundred and thirty-one year old organization (the University of Copenhagen, for example), I wish to highlight the importance of value systems, albeit very different ones, for the two organizations.

6.3.3 Changes in knowledge production: Mode 2 and innovation

The relationship between universities and the KaosPilots can also be likened to the relationship between Mode 1 and Mode 2 knowledge. Mode 2 knowledge is interdisciplinary and is intended to address practical issues; applied research. Mode 1 knowledge is the traditional, disciplinary based knowledge which scientists are ideally supposed to follow wherever their disciplinary curiosity leads. This is a gross over-simplification of how knowledge can be categorized, but it illustrates the relationship between these two institutions. Mode 2 knowledge is considered useful and relevant, but it can not exist without a Mode 1 foundation. It is the same with the KaosPilots. They are quite good at bringing diverse elements and people together, but if these people had not acquired their expertise elsewhere (academics, long business careers, following artistic impulses where they lead), there would be no experts for the KaosPilots to learn from. They are cultural facilitators and enablers; innovation-creators perhaps. As it turns out, this type of knowledge is extremely sought after right now due to a decades-long shift from a production-based economy to a knowledge-based one. The form of knowledge that is sought after the most today is the kind that leads to (profitable) innovation.

A parallel example which I wish to bring attention to is the evolution of the bio-tech sector36. Bio-technology is not an industry, but is a scientific knowledge base used in a diverse set of industries. As it became more sophisticated, dedicated bio-technology firms appeared. These small firms worked with specialized knowledge that could be used in a variety of industries.

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36 The story of the bio-tech sector comes from a lecture entitled “The Sectoral System of Innovation in Biotechnology” delivered by Tommy Clausen, a researcher at the Center for Innovation, Technology and Culture (TIK) at the University of Oslo. The lecture was delivered to the students of the course Globalisation, Innovation and Policy on February 15th, 2005.
There was concern amongst large firms in different industries that these new bio-tech firms represented a threat to them. As it turned out, the small firms remained niche organizations that worked, more or less, as subcontractors for the large firms. This situation ended up being mutually beneficial. It could be much the same with the KaosPilots. They could not exist without the knowledge and training provided by traditional universities. At the same time, traditional universities may be able to gain something from their niche expertise and over time the KaosPilots may develop a more widely respected expertise in their research area. Time will tell.

The KaosPilots want to be active partners in the knowledge society which Denmark (along with much of the developed world) is now becoming. They recognize that manufacturing jobs have moved to China and India and that to generate wealth in the developed world takes a different approach. To that end, the school’s “Four prioritized initiatives” as stated in the prospectus are: value-based entrepreneurship; strengthening the school’s international profile; opening sister schools in Norway and Sweden; and The European Edge Factory, a network, based consortium of various European educational institutions, companies, think-tanks, media and entrepreneurial environments with the purpose, “to develop a committed experience and research milieu around the following theme: modern entrepreneurship, social innovation and, not least, the fourth sector” (KaosPilots, 2004). Their self-proclaimed criteria for success is not only “that students get good jobs after they graduate, but that they create new and exciting jobs” (Ibid.). They appear to be succeeding since they report 29% of their graduates as self-employed (Ibid.). This means that the people who go to the KaosPilots (either because of what they brought in with them, or what they got out, or a combination) are succeeding in generating innovations. Innovation theory argues that to create innovation requires heterogeneous groups to meet. The process is helped if there is a common cultural background and a common language for the different groups. This is exactly what the KaosPilots have created and it should not come as a surprise that they have been successful.

6.4 Organizational change

Van Vught (1996) argues that the stronger the academic norms in an institutional environment, the less diverse the higher education system will be. In the case of the Danish system, there has long been an attitude that has allowed for educational experimentation. This, perhaps combined with a gradual weakening of academic norms as the sector has
become more diversified, has opened up an opportunity for a different type of education to enter the sector. Without the economic and legal support of the government though, it never would have ‘gotten off the ground’. Once it did, though, it managed to stay aloft.

In some ways, the greatest strength the KaosPilots have is the institutional identity they have built up for themselves. In looking at how organizations change, Stensaker and Norgård’s (2001) research on the University of Tromsø centralized the struggle for institutional identity as they key determining factor for organizational change. Kraatz and Zajac’s (1996) research on liberal arts colleges in the United States contradicts Stensaker and Norgård, but in this case I believe the University of Tromsø is a more relevant comparison due to its young age and ‘alternative’ history. In Stensaker & Norgård’s view, universities have agency in deciding when and how to change, and in the case they examine “…innovation rather than standardization is seen as the necessary condition for organizational survival” (2001: 474). In an organization like the KaosPilots, this is also the case. They have built their identity by being on the edge, and if they were suddenly to become an average business school or interdisciplinary research institute, their social/cultural capital would decrease dramatically. Therefore, it is essential for their survival that they maintain a coherent identity that is in-line with image they have built for themselves. Considering that other educational institutions are starting to imitate them lends credibility to the fact that they have created a successful model.

Huisman et. al.’s (2002) work is also relevant in the case of the KaosPilots. In their examination three ‘alternative’ universities in northern Europe they found that,

> The universities were able to cope with these pressures [to conform to the traditional’ notion of a university] by, on the one hand, stressing the profitability of their special characteristics and by, on the other hands, slightly – and not overnight – changing the special characteristics, (2002: 329).

Although the data I have on the KaosPilots is limited, it seems that their change has followed a similar pattern. They continue to emphasize their uniqueness and grass-roots connections, yet have shifted their focus from culture and cultural facilitation to a more explicitly entrepreneurial approach.
6.4.1 Rhetoric and organizational saga

Huisman et al. (2002) and Stensaker & Norgård (2001) both emphasize the role of institutional identity in organizational change. Clark (1972) examines this as well, specifically in the importance of an organizational saga in identity construction. In the case of the KaosPilots, the way their saga is carried in their rhetoric bears closer scrutiny. Throughout chapters five and six are examples of the type of rhetoric that the KaosPilots use to describe themselves. One need only to look at the structure (‘Zones’, not departments), values (‘Playful’, ‘Streetwise’) and some of the buzzwords (‘DNA’, ‘competence environment’, ‘European Edge Factory’) to see that this is a language very different from that used in traditional higher education. It is also rather flamboyant and attention grabbing. It is not municipal authorities and corporate business that are used to illustrate who the KaosPilots want to cooperate with (though these groups certainly provide a very necessary income), but computer freaks, crazy artist, and the elite military. By framing the organization in terms of these groups they place themselves outside of the ordinary. The area outside the ordinary is also the area of myth. By placing themselves in this area, they mythologize themselves in such a way that by cooperating with them, one can feel like they are more cutting edge and mythic themselves. The KaosPilots were described as symbol artisans (Deichman-Sørensen, 1997: viii) and one of their most popular symbols to craft is their own image. Instrumentally this is necessary to keep partnerships coming in. Since they lack connections to specific professional or disciplinary spheres, they need to create an image of themselves that sells. That image is captured in the name ‘KaosPilot’; one who navigate through chaos, through the unknown. Their choice of Charles Lindbergh as a symbols fits with this myth of the solo adventurer who enters the unknown and then returns with knowledge and inspiration for the rest of us. The flying imagery fits as well since they can come into any organization and bring innovative ideas, creativity, and enthusiasm, then fly away again to further explore the uncharted regions. The language they use supports this. Even their critics point to the fact that they have the right buzzwords, even if they have little else.

Again, whether they live up to their image or not is beyond the scope of this thesis. The point here is that they use language to further underline their difference from the traditional academic world. They are much closer in rhetoric to Wired then to the University of Copenhagen. Critics say that the use of language to generate enthusiasm is something the
KaosPilots have misused to get government funding. Whether that claim is true is not the point here, but it serves to illustrate the power of language and the success that the KaosPilots have had in constructing a myth or saga around their organization.

6.5 Radical change at a critical juncture?

The KaosPilots have some clear and important differences from the other higher education organizations that we have looked at. Structurally and philosophically they have an approach to education and knowledge that differs fundamentally from traditional academic norms. One question that is raised, though, is for how long?

According to Huisman, et al., a neo-institutional perspective posits that an ‘alternative’ organization should either die out or become traditional in a span of about ten years (2002: 318). Their studies of alternative universities found that neither occurred. Using a combination of resource-dependency and neo-institutionalism proved much more useful in describing the changes they saw. The same applies to the KaosPilots. The KaosPilots have not, according to Greenwood & Hinings (1996), changed radically. They have changed, as we have seen, but the organizational archetype seems to be quite similar to what it was in fourteen years ago. Whether they will change in response to the pressure now being put on them to join the Aarhus School of Business, remains to be seen37.

If we look at radical change as a sectoral phenomenon, we might see something different. In this case, the question is whether the KaosPilots educational template represents something new in the higher education field. If we look at the shifts from each of Olsen’s archetypes to a new one, it can be seen as an example of radical change within the sector. One would have to look much more closely at individual institutions to make a strong empirical case for this, but seen from a macro-historical perspective, each one represents a significantly different organizational template for the University. As do the colleges and vocational schools which opened in the sixties and seventies. I think the same can be said about the KaosPilots, though to contextualize their role, it should be pointed out that in terms of size they educate less then half a percent of the Danish higher education sector.

37 In a brief personal correspondence with Elbæk in October, 2005, I was told that negotiations were going well, though he did not have the opportunity to elaborate
They share elements with all of the different models, especially the self-governing community of scholars and the service enterprise. It is interesting that the KaosPilots most resemble these two models which are often set up in opposition to each other in contemporary discussions about what the University should be. This is perhaps what the sector has been lacking, a school that emphasizes practical skills that can be used in a variety of setting, a close-knit residential environment, and a focus on the development of the whole person, not just on the acquisition of knowledge and skills. How closely it lives up to its own reputation is beyond the scope of this study to investigate. My intent here has been to highlight the KaosPilots as a new type of organization in the higher education sector, one that combines elements from older models in a new way.

Whether one sees this new model as a boon or a plague depends on one’s perspective, and in this case there are actors with rather different perceptions. It can not be denied that the KaosPilots are skilled self-promoters. It is a skill without which they probably would not have survived the last fourteen years. They have proved themselves popular with students and with their partners. The question for the future is how they will approach this cross-road. Will they join the Aarhus Business School, and if so under what circumstances? For a group that has defined itself in opposition to traditional higher education and built its reputation (and niche) on its outsider status, this could result in major organizational change, possibly for both organizations. We will have to wait and see what develops next in the saga of this untraditional educational organization and the isomorphic pressures it is currently facing.

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38 I have to assume that there are unsatisfied partners as well, but the fact that established and up-start companies keep cooperating with them I take as a sign that most are satisfied.
Chapter 7: Conclusion

7.1 A new template

The KaosPilots are an organization that seems to represent a new template for higher education in Europe. They have a flexible network-based structure and an educational focus that strives to be relevant to the contemporary knowledge economy. They also combine a strong ideological foundation (reminiscent in importance, though not in type, of the academic values of the University-as-community), with a service-oriented approach to their external clients. They treat their students like privileged insiders (something which hearkens back to the olden days of elite education) yet also see themselves as a part of Scandinavia’s strong democratic traditions. That it can combine seemingly contradictory characteristics one organization is perhaps something important that it has in common with the universities.

They are an organization that has entered and succeeded by finding its niche in the increasingly diverse field of higher education. They have had success because their niche is attractive to government (they offer a professional degree, focus on innovation and creativity, have a diverse funding base, and are quite flexible), to a certain group of students (who want a more personally focused education then the traditional universities offer), and to their partners (who benefit from the input of enthusiastic, creative young people). Their attempts to building up their international profile (introduction of English as the working language, opening KaosPilot programs in other countries), while also strengthening their base in Europe (cooperate to compete) are also right in line with broader trends in European higher education. How they will develop from here, and if they can continue to maintain a position on the cutting edge (something that is notoriously difficult as organizations become more established) remains to be seen.

Something that the KaosPilots share with all types of higher education is their ability to blend different templates and contain contradictory elements within the same organization. Though they are an organization with a much narrower focus then a traditional university, they still manage to incorporate a variety of different elements. The way that the school incorporates a market-orientation, yet mediates it through its organizational values is something that many universities are currently struggling with. A major difference is the fact that the KaosPilots identify quite strongly with business and operate in a much more business-like environment then other colleges or universities. For them, it is not very
difficult to cooperate with businesses since their fundamental attitude towards knowledge is that it finds its value in context.

7.2 The situation of the University

I wish to come back at this point to Olsen’s idea of institutional imperialism. He argues that, “There is a reshaping of its institutional purposes and the University jeopardizes its legitimacy by losing sight of its identity and constitutive logic, its distinctive features, functions and achievements as an academic institution” (2005:3). These changes are not accidental, but are the result of, “…intrusions and attempts to achieve ideological hegemony and control over other institutional spheres, [which] may threaten to destroy what is distinct about other institutional spheres” (Ibid. 7). The situation he is describing is one in which the University is under attack from government and industry. They are threatening its core academic missions and asking it to be more instrumental and more efficient. Universities and colleges are trying to react to these demands while still maintaining their academic values (Gornitzka & Maassen, 2003; Clark, 1998; Marginson & Considine, 2000).

The KaosPilots largely side-step this pressure because they are not a university and they are not attached to academic values which place high value on basic research. Their organizational template is one that is service and practice oriented. The point of comparison, though, is that the KaosPilots have been market-friendly while at the same time placing a high value on compassion, playfulness and the desire to make the world better, values not normally associated with markets. That they have successfully balanced these two sets of values for fourteen years is something that may be of interest to other higher education organizations trying to balance their own values and the pressures of the market.

7.2.1 Supercomplexity

Ronald Barnett (2000) believes that we are in an age of supercomplexity, a time of great uncertainty, where our frames for understanding the world are multiplying without end. He claims that the universities have been partly responsible in creating this uncertainty, and that it is their responsibility to help people cope with it. To this end, he believes that,

The wider world is looking for three things from its universities: a continuing flow of new stories to add to those that we already have in the world (and it will help if those new stories are cashable in some way); a critical interrogation, and even rebuttal of
existing ideas; and the development of the human capacities to live both at ease and purposively amid such uncertainty (2000: 71).

The KaosPilots seem to be trying to do at least two of those three. One of their strengths (for good or ill) is the creation of stories and one of their goals is to train their students to cope with uncertainty. How well they do this is beyond the scope of this study to judge, but they are clearly making the attempt. These attempts to develop students’ skills and create new stories is probably something that has attracted some of the attention to the KaosPilots and helped them to succeed.

One of their weaknesses, though, is critical interrogation. Because the KaosPilots are structured more like a small company than a university, they have a very different organizational culture. As mentioned, their approach to knowledge is different, something which affects their approach to things like time as well. There are always deadlines to be met and people to talk to and projects to work on. This does not provide the KaosPilots with much time for critical reflection, nor is critical reflection a value that is built into the organizational structure. They have an explicit focus on the practical and are interested in the use-value of knowledge. Traditional universities, on the other hand, value knowledge in and of itself. Universities also have structures in place to make sure that the knowledge they are producing meets rigorous standards for accuracy and quality. Since the KaosPilots are producing knowledge for clients, their satisfaction is the primary concern.

7.3 Different strokes for different folks

Considering the pressures on European higher education to be more vocational and more economically and socially relevant, the KaosPilots have created a successful niche. They are, as Deichman-Sørensen (1997) points out, a parasite-organization that cannot live by itself. All organizations exist in interdependency with others, but this is still a marked difference from the University-as-community where scholars, provided they had sufficient funds, could work in relative isolation. With that in mind, it will be interesting to see how the relationship between the Danish government, the KaosPilots, and the Aarhus School of Business develops. The education spokesman for the Danish People’s Party, Louise Frevert, believes that attaching themselves to a more established institution and a more rigid framework will benefit the KaosPilots (KaosPilots ‘New Hope for the KaosPilots’). She does not say how that will benefit the Danish government, but we have to assume there will be something for
them as well. The most recent reports I have heard indicate that the KaosPilots and the Aarhus School of Business are very interested in cooperating, but both have strong desires to maintain their organizational identities (Student, personal interview).

Just as there are different types of knowledge, there are different organizations that work with them. Going back to the comparison between Mode 1 and Mode 2 knowledge, or between large and small firms in the bio-technology sector, one can envision a higher education sector in which organizations like the KaosPilots and more traditional universities mutually benefit from their interactions. Traditional universities are the core institutions in higher education and have been called “the axial institution’ of the modern world” (Wittrock, 1993:304). But as knowledge expands, the world becomes more complex, and everything speeds up, it is not necessarily for the best for one institution to try and do everything. The KaosPilots could not exist without universities. Universities can easily exist without the KaosPilots. But the fact that they have developed and succeeded in the last fourteen years indicates that they have a role to play in the contemporary Danish/Scandinavian/European/global knowledge economy.

7.4 Concluding remarks

We have looked at the development of several core organizational templates in the field of higher education. Each one of them developed ‘accidentally’ in the sense that they came into existence as different stakeholders tried to achieve their goals in a constantly changing institutional environment. The University-as-community developed around the University of Berlin, an organization which arose when there was talk of eliminating the universities altogether. The University-as-instrument came to be after WWII showed the West what could be accomplished by cooperation between government, universities, and industry. The University-as-democracy came about as a result of student protests and a push from civil society to have more open and democratic institutions. The University-in-markets has arisen in the wake of increased global connections and competition, and as a response to the pressures competition puts on social institutions to be more effective and efficient.

The KaosPilots also arose as a result of increased global connections and competition, but in a different way. They arose because a small group of people in Denmark wanted a school that could train people to organize projects and cope better with profound social change. It has an organizational model which accepts that markets are the prevailing mediator of social
interactions, but that they are not the only mediator. This is not a new insight, and it is one that universities have lived with for centuries. Nonetheless, universities are facing a period of change, and it is, perhaps, an appropriate time for them to see a small reminder of how to balance values and markets. It may be of benefit as they wrestle with the question of how they can best serve their traditions and society’s needs simultaneously.
## Appendix:

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<th>University operations and dynamics are governed by environmental factors</th>
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<td>Actors have shared norms and objectives</td>
<td>The University is a self-governing community of scholars</td>
<td>The University is an instrument for national political agendas</td>
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<td></td>
<td>Reasons for autonomy: Constitutive principle of the University as an institution: authority to the best qualified.</td>
<td>Reasons for autonomy: Delegated and based on relative efficiency.</td>
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<td></td>
<td>Change: Driven by the internal dynamics of science. Slow reinterpretation of institutional identity. Rapid and radical change only with performance crises.</td>
<td>Change: Political decisions, priorities, designs as a function of elections, coalition formation and breakdowns and changing political leadership.</td>
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<td>The University is a representative democracy</td>
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<td>Constitutive logic: Interest representation, elections, bargaining and majority decisions.</td>
<td>Constitutive logic: Community service. Part of a system of market exchange and price systems.</td>
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<td>Reasons for autonomy: Mixed (work-place democracy, functional competence, realpolitik).</td>
<td>Reasons for autonomy: Responsiveness to “stakeholders” and external exigencies, survival.</td>
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<td></td>
<td>Change: Depends on bargaining and conflict resolution and changes in power, interests, and alliances.</td>
<td>Change: Competitive selection or rational learning. Entrepreneurship and adapting to changing circumstances and sovereign customers.</td>
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Figure 1, (Olsen, 2005: 9).
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