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Organizational Fields and Competitive Groups in Higher Education: Some Lessons from the Bachelor/Master Reform in Germany**

The implementation of the Bachelor and Master reform in German universities happens at a surprisingly rapid pace. Apparently, a higher education system which by most observers is characterized as being reluctant to change can quickly embrace the Bologna process, which aims at a common European higher education area until 2010. In this article the main driving-forces underlying the rapid reform process are identified with the help of some conceptual tools from the new institutionalism in organizational analysis and based on qualitative empirical research. According to my analysis, the process can only be explained by the strong interactions within an “organizational field”. Among the organizations involved, the state as a coercive actor seems to be the single most important driving-force. In addition, one can witness a stronger role for accountability and leadership in universities and the emergence of new regulatory actors like accreditation agencies. As the Bachelor and Master reform is rather implemented in a “top down” way, “bottom up” competitive processes among universities play a weaker role than expected. The “competitive groups”, in which universities position themselves with regard to students are mostly regional. This opens up further questions with regard to the effects of the Europeanization of higher education.

**Key words: Organizational Field, Competition, Bologna Process,
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1. Introduction

Currently one can witness a strong trend towards the Europeanization of higher education. This trend is most obviously spurred by the so-called Bologna process, which aims at a common European higher education area until 2010. Among other things, the Bologna declaration states that the heterogeneous systems of programs and degrees in Europe should be substituted by an internationally comparable system, in which a clear distinction between undergraduate and graduate studies should be drawn. Following the Anglo-American model, “Bachelor” should be the degree given after having completed the undergraduate studies, while, based on this degree, graduate studies should lead to the “Master’s” or doctoral degree (Ph.D.).¹ The introduction of Bachelor and Master programs and related degrees implies a drastic reform of national systems and university organizations. In Germany, for example, traditional degrees like Diplom, Magister, and “Staatsexamen” in law, medicine, pharmacy, and teaching are gradually substituted. The traditional degrees are not based upon a distinction between an undergraduate and a graduate level. They are awarded after three (primary teaching) to six and a half years (medicine, including internships). Diplom and Magister programs typically take four to five years.

This transformation of both national and organizational systems in Europe can be seen as a gigantic field experiment. As actors involved in this transformation process we typically have mixed feelings. As researchers, however, we have to consider the Bachelor/Master reform as a windfall, a fantastic opportunity, because in the social sciences one hardly has the chance to study institutional change on such a scale.

With regard to the management of higher education, two sets of questions seem to be of particular importance here, which will be discussed by focusing on the German case. First, one has to address issues of the governance and organization of higher education. What are the basic driving-forces of the Bachelor and Master reform? Can we witness, for example, a retreat of the state and the emergence of new regulatory actors? How is the internal decision-making structure of universities affected by the reform? Does the reform give way to a new mode of university governance? A second set of questions is about the issue of competition in higher education. As the Bologna process strives for a stronger emphasis on competitive forces, the reform has to be regarded as a research site to reflect upon the possibilities and limits of competition in higher education. Here, questions on the framing of competition, the role of other higher education organizations as competitors and of students for which to compete arise.

These two sets of questions will be addressed by the help of some conceptual tools from organizational analysis. While for the analysis of issues of governance and

¹ In my paper I will leave out the reform of doctoral studies. Though through the creation of Graduate Schools (“Graduiertenkollegs”) a more structured system is on its way here, too, the structural changes are not as strongly marked and hotly debated as those with regard to the Bachelor and Master system. For an account on convergences and divergences of doctoral education in Europe see Kehm (2007). A comprehensive overview of the very heterogeneous national ‘enactment’ of the Bologna process in general is provided by Witte (2006).

organization in part 2 the concept of “organizational fields” (DiMaggio/Powell 1983; Mizruchi/Fein 1999) seems to be most fruitful, the analysis of “competitive groups” (Lant/Baum 1995; Baum/Lant 2003) offers promising insights into competitive processes in higher education, which will be dealt with in part 3. The paper concludes with a summary and an outline of some research and management perspectives.

The empirical data underlying my paper were collected and analyzed with third and fourth year graduate students at the department of sociology at Bielefeld University (Krücken 2005).² In the paper I will focus on the part of the project, which was based on qualitative research. The statistical analyses through which we tested several hypotheses on why certain universities and disciplines introduce Bachelor and Master programs more rapidly than others add some interesting insights, which, however, do not directly contribute to the argument presented here (see Körnert 2005). The research methodology of the parts I will draw on in my paper consisted of expert interviews based on guidelines, which typically took from one to one-and-a-half hour. These interviews were fully transcribed and analyzed according to our guidelines and research hypotheses. Through this we were able to decompose, analyze, and interpret our interview material in a systematic and non-random way with the help of qualitative content analysis (see Mayring 2003; Gläser/Laudel 2006). In addition, we tried to validate our interview findings through written documents (statistical yearbooks, reports, policy documents and the like).

We were able to conduct interviews with 28 representatives of the 29 organizations we contacted. These 28 interview partners came from 14 of the 15 universities (six deans of teaching and students’ affairs, five administrators, two rectors, and one acting rector) of the federal state North Rhine-Westphalia. Due to limited resources we could neither include North Rhine-Westphalia’s polytechnical schools nor universities from other federal states. These restrictions, however, allow to focus on the behavior of a sample of universities which operate within a common legal and political framework. North Rhine-Westphalia hosts Germany’s largest and most diversified university infrastructure. It is Germany’s most populous federal state (2005 about 18 million people), and it includes the industrial Ruhr area as well as the Rhine area (with the federal state’s capital Düsseldorf, and the former German capital Bonn). 14 of North Rhine-Westphalia’s 15 universities are public, as are the overwhelming majority of German universities. The variety of universities included in our sample consists of traditional universities (University of Bonn, University of Cologne, University of Münster), a world-renowned Technical University (RWTH Aachen University), Germany’s first private university (Witten/Herdecke University), Germany’s only open (off-campus) university (FernUniversität Hagen), a number of universities founded in the 1960s and 1970s as a response to the ‘massification’ of higher education in Germany (Bielefeld University, Ruhr-Universität Bochum, University of Dortmund), and a recently merged university (University of Duisburg-Essen). Furthermore, we conducted expert interviews on the national level. We conducted interviews with repre-

² The research team included Johanna Bunzmann, Lisa Hürter, Maja Kandzorra, Katharina Kloke, Juliana Körnert, Steffen Ludwig, Boris Podolšak and Yvonne Prill. A complete project report (in German) is available at www.uni-bielefeld.de/soz/personen/kruecken/.

sentatives of all six accreditation agencies, as well as with representatives of eight policy-making and policy-advising organizations in the field.

2. Driving-forces in an organizational field:

Analyzing the dynamics of the Bachelor and Master reform

The Bachelor and Master reform in German higher education is characterized by an astonishing momentum. In summer 2006, 4.540 Bachelor and Master programs were offered, i.e., 40% of all programs offered.³ In summer 2002, only 920 such programs were offered. Within four years the numbers have quintupled. One can expect that in 2010 – i.e., the year when according to the Bologna declaration the common European higher education area should be realized – the general transformation should be completed with the exception of programs, where the final exam is the “Staatsexamen”. These figures are by no means trivial. Only a few years ago, universities, professors and their associations were mostly openly critical of the Bachelor and Master scheme. In addition, higher education researchers typically describe the German system as a rather conservative and slowly moving one, which is characterized by incremental, not by radical changes (see, for example, Stölting/Schimank 2001; Krücken 2003; Teichler 2006).

In order to dissect the reasons for the dynamics of the process, it is necessary, on the one hand, to reconstruct the accounts given and the ‘sense making’ by the actors involved. Here I follow a long tradition in the sociology of knowledge, which has also been taken up in organizational research (see, for example, Weick 1995, Hiller 2005). On the other hand, one cannot focus on universities as individual and isolated decision-makers. They, instead, have to be seen as being embedded in broader societal environments. Following neo-institutional research in organizational analysis (see, for example, Powell/DiMaggio 1991, Hasse/Krücken 2005), only in the interaction with these environments can organizational decision-making be explained – for example, the decision to change from the traditional degree structure to a Bachelor and Master scheme. In order to analytically distinguish the relevant societal environments for universities, I follow a typology which Paul DiMaggio and Walter Powell developed in a seminal article in 1983 (DiMaggio/Powell 1983). In that article they introduce the concept of what they call “organizational fields“.

“Organizational fields” are composed of all the organizations, which in addition to the one being analyzed, create the environment of the analyzed organization. In their article, DiMaggio and Powell use the example of business organizations. The relevant environment of a business firm is composed by other, competing firms, firms supplying components, customers, but also by regulatory agencies. According to DiMaggio and Powell, the organizations in an organizational field tend to become more similar over time, a process which they label “institutional isomorphism“.

Three concrete mechanisms bring about this process: coercion, normative pressure, and mimesis. Institutional isomorphism through coercion is typically driven by the state. One only has to think about legal requirements which can be enforced by

³ Regularly updated information on the state-of-the-art is to be found at www.hochschulkompass.de.

state agencies. The most important source of normative pressure on organizations are professions. Here one could refer to medical doctors and their associations in the field of health care and in hospitals or to the strong impact engineers and their associations play in the realm of setting technical and environmental standards. Mimesis is the attempt at copying approaches which have been applied elsewhere. This mechanism is related to the mutual observance of organizations in an organizational field. It is of particular importance under high uncertainty. Under high uncertainty, organizations which behave mimetically, observe each other and try to copy the model of what they see as trendsetters in a field.

When applying this general conceptual scheme to the specific case of the Bachelor and Master reform in Germany, a restriction and an extension seem to be warranted. The restriction relates to the way I make use of the concept of institutional isomorphism. Isomorphic tendencies presented here are strictly limited to the question whether and why universities formally introduce Bachelor and Master programs. As the focus is on the convergence on that issue and the underlying driving-forces, I do not make any claims with regard to isomorphic tendencies as regards the content of the programs for example. This remains a most fascinating research question, which might be addressed in a follow-up project. This extension relates to the carriers of normative pressure. While DiMaggio and Powell focus on professions and professional organizations, here all kinds of organizations which are neither part of the state (and, therefore, exercising coercive pressure), nor universities themselves (and, therefore, exercising mimetic pressure) are put together. As I will show later, this allows for a richer and more appropriate account of the main actors involved in the process.

What can be said about the three mechanisms and their carriers with regard to the case analyzed, i.e., the adoption of the Bachelor and Master scheme within German universities? First, I will focus on the role of what university actors perceive as coercive pressures being exercised by the state. In Germany – like in many other countries – there is a vivid debate on university autonomy, deregulation and the increasing role of “new public management“ in higher education (see, for example, Schimank 2005; Lange/Schimank 2007). Therefore, one could have thought that the state plays a relatively minor role as compared to other types of pressure and related organizations. From the point of view of our interview partners, however, this is by no means the case. The state – and here, in particular, the Ministry for Research and Education in the federal state North Rhine-Westphalia – is seen as the universities’ central point of reference, both with regard to university affairs in general and with regard to the introduction of the Bachelor and Master scheme.

With regard to the general question on what representatives from universities perceive to be other relevant organizations in their organizational field, one of our interviewees gave a simple and straightforward answer. “The ministry in any case, because it gives us guidelines in certain areas. Well, I guess that was it.“ Though this statement might seem extreme, also other interview partners share the assessment that the state is the central point of reference for universities. This becomes obvious in the following quotes: “The state obviously, on both the federal and the national level”;

“Our first and most important reference point is the Ministry”; “We look whether there are new guidelines from the Kultusministerkonferenz⁴”.

While these quotes are on what universities perceive as important organizations in the organizational field in general, one can see a similar picture with regard to the Bachelor and Master process. In a majority of cases, the main driving-force was located in the political realm. According to our interview partners “the pressure came from the political side“ and “the whole process was really a top down process“. Or, to put it differently: “The impulse comes from the Ministry. We first hesitated, but at a certain point – around late 2003 – we recognized that we needed to actively get involved”. According to our interview partners, the pressure increased through an amending law, becoming effective with January 1st, 2005, through which the inscription in traditional study programs, leading to the “Diplom“ or the “Magister“, was made impossible from the Academic Year 2007/08 on. But the coercive pressure was felt much earlier and also with regard to the overall organizational field in which universities are embedded.

The strong role of the state stands in contrast to other possible sources of the transformation process. Though a stronger link to the economy is strived for with the reform, especially in the Bachelor programs, which are more vocationally oriented than previous programs, according to our interview partners economic actors hardly shape the process directly. And only in two cases we were told that the main impulse to shift towards the Bachelor and Master scheme came from within the universities.

Interestingly, one can nevertheless witness a strong role for university leadership in the case we analyzed. Along with the Bachelor and Master reform, the university is transformed into an organizational actor.⁵ The transformation of universities into organized and strong actors is by no means a trivial process. On the contrary, organizational researchers had characterized educational systems as “loosely coupled systems” (Weick 1976). In a similar vein, Cohen, March, and Olsen (1972) pointed to “garbage can” decision-making processes in universities, and, based on these and other findings, Cohen and March (1974) labeled universities “organized anarchies”.⁶ In universities, centralized power was limited, and strong internal governance was absent. Being torn between internal (departments, professors) and external (state) forces, university organizations have only very little in common with the state bureaucracy as being described by Max Weber (1972) or with the powerful organizational actors including

⁴ The Kultusministerkonferenz is the Standing Conference of the Ministers of Education and Cultural Affairs of the 16 Länder (“federal states”) in the Federal Republic of Germany. Here, the main adjustments processes among the different “Länder“ with regard to education and higher education take place. However, as the “Länder“ are ultimately in charge of most of the decision-making in that policy domain, differences among them remain, for example, with regard to the transition to the Bachelor and Master scheme. Therefore, the results presented here might not give an accurate description of how that process is carried out in other federal states.

⁵ For a broader theoretical account of this transformation process see Krücken/Meier (2006).

⁶ For a comprehensive and up-to-date overview see Musselin (2007).

strong leadership, which historical and sociological research, for example by Chandler (1977) and Perrow (2002), on business firms has shown.

With regard to the new trend towards organizational leadership in universities the increasing importance of organizational accountability has to be mentioned in particular. The attribution of responsibility, which traditionally has been much more individualized, is now transformed into an organizational account. As organized actors, universities have to be understood as units which produce accountable decisions. Even omissions – like the attempt of some departments and professors not to change their programs towards the Bachelor and Master scheme – can be reconstructed as decisions. They are negatively sanctioned by the rector and his or her deputies, who more and more are seen as heads of an organization. From our transcripts one could see that the external pressure from the political realm was in many cases internally reinforced by the rector and his or her deputies. Therefore, the role of organizational leadership could only be understood against the backdrop of strong external forces. To mention one interview statement: “Here, the initiative to transform comes from the rector. And the rector reacts to the policies of the Ministry, which are very clear in this case.”

I will now focus on the second mechanism, normative pressure, and its carriers. Normative pressure is exercised through a variety of organizations, i.e., accreditation agencies, professional organizations, consultancies and interest groups. They are all part of the organizational field, in which the introduction of the Bachelor and Master scheme takes place. And they all shape universities’ behavior by giving them advice on what is regarded as appropriate behavior and what not, on what to do and what not to do.

With “Bologna” an entirely new system of quality control was set up in Germany, in which accreditation agencies play a central role.⁷ Previously, study programs, and here in particular the exam structure, offered by universities had to be certified by the ministry in charge. Germany is a federal country, where education is a policy domain, in which the decisions are mainly made by the 16 federal states (“Länder“), not by a federal decision-making entity. Therefore, this procedure took place through the ministry of the federal state where the university is located. Once a program successfully passed this administrative procedure, no further controls or evaluations were taken. Only changes in the curricula were a reason to start this procedure again. With the Bachelor and Master reform, formally independent accreditation agencies as new actors were created in order to evaluate the new programs. Currently we have six such agencies, which themselves had to be accredited by another agency, the “Akkreditierungsrat” (Accreditation Council), and which, based on an evaluation, have to be re-accredited, typically after five years.⁸ This implies two things: On the one hand, the responsibility for the certification of a program in large parts shifted to the accreditation agencies, which are neither state-run nor part of a university or a professional organization. On the other hand, accreditation agencies do not only check the formal

⁷ On the issue of quality control in Germany and 19 other European countries see Schwarz/Westerheijden (2004).

⁸ For an overview, including links to the accreditation agencies, see www.akkreditierungsrat.de.

consistency of a program, but also, together with academic peers in the field and members of professional organizations, the content of a program, its goals, resources, etc. In addition, programs, which successfully passed the accreditation process, have to be evaluated and re-accredited after five years. Therefore, for the first time in German higher education one can speak of a formal system of quality control when it comes to teaching and education, and accreditation agencies have to be seen as a major organizational innovation.

Accreditation agencies seem to be of central importance as carriers of normative pressure, as all our interview partners pointed to them. Professional organizations play in some cases a strong role, too, for example in engineering through the Verein Deutscher Ingenieure (VDI), the Association of German Engineers, which for a long time opposed the shift towards a Bachelor and Master scheme, but ultimately gave up its resistance. However, the influence of professional organizations is not equally strong in all fields, and typically far weaker than in engineering.

Compared to accreditation agencies and professional organizations, consultancies – like the Center for Higher Education Development (CHE), a think tank, which is very visible on different reform issues in German higher education and which has taken a pro-active stance towards the Bachelor and Master scheme – seem to be of minor importance, and interest groups like the national employers' association, which came up with general guidelines on how to structure the stronger emphasis on vocational aspects in Bachelor programs, have according to our interview partners hardly any direct influence on the process.

With regard to issues of governance in higher education three points should be mentioned here. First, from a macrosociological point of view – which is different from the actor's point of view I tried to reconstruct so far – the permanent evaluation of study programs by accreditation agencies could be seen as an indicator for what Michael Power (1997) called “the audit society“. In an “audit society”, in principle all societal sectors can be legitimately put under public scrutiny, have to be held accountable for what they are doing, and are evaluated by standardized techniques. This includes those sectors which, like the church, science, and also universities, traditionally have been regarded as standing above the profane and mundane order of things. Second, though the German accreditation scheme was introduced under the premises of decentralization and deregulation, accreditation agencies are rather perceived as an additional regulatory layer, not a substitute for state control. Apparently, higher education governance rarely approximates a simple zero sum game structure, where gains on one side equal losses on the other. The same dialectics seem to unfold, third, with regard to the professorate as a central actor in higher education governance. Accreditation agencies draw heavily on the judgement of academic peers who not only assess the formal consistency of a program, but also its content and goals as well as the available resources for it. In addition, traditional disciplines play a strong role in the accreditation of the programs, which to a larger extent than before are interdisciplinary in character. Representatives from accreditation agencies are aware of their limited decision-making power with regard to the scientific community as the following quotes illustrate: “We don't intervene in questions concerning the content of the programs. That is the assignment of the peers who make site-visits and judge from the back-

ground of their disciplinary context” and “Where do the standards for our reviews come from? They are mainly defined by the scientific community itself.”

Following the concept developed by DiMaggio/Powell (1983), also mimetic processes have to be taken into account when trying to dissect the driving-forces of the Bachelor and Master reform. The mutual observance of the behavior of other universities, however, takes place in ways which are not predicted by Di Maggio and Powell’s theoretical concept. DiMaggio and Powell stress observation and imitation processes which occur without communication with other similar organizations in the field. In our case, instead, mimetic processes take place in highly institutionalized settings, in which communication and direct personal contacts are of vital importance. The “Landesrektorenkonferenz“ and the “Hochschulrektorenkonferenz“ were frequently mentioned. Here, both on a federal level (Landesrektorenkonferenz) and on a national level (Hochschulrektorenkonferenz) university rectors come together regularly and exchange views on a variety of things. Since several years, the shift to the Bachelor and Master scheme is one of the mostly debated issues. In addition, other forms of mutual adjustments were mentioned by our interview partners, especially on the regional level. Rectors of the main universities of the Ruhr area meet frequently, and so do the rectors of the universities in Aachen, Bonn and Cologne in the Rhine area, which even label themselves as “ABC“-universities.

A very interesting case for mutual adjustments involving a great deal of communication is the so-called “TU 9“ initiative, which is composed of nine very prestigious and influential technical universities all over Germany, including for example, the technical universities in Munich, Karlsruhe, Berlin, and Aachen.⁹ These universities, which in accordance with the professional association of German engineers, the VDI, for a long time opposed the transformation towards a Bachelor and Master scheme, have now given up their resistance, while still maintaining a critical stance. Instead, they try to actively shape the process by organizing workshops for different engineering specialties, aiming at developing common standards for each field. I expect that these nine universities act as trendsetters for others in the broader organizational field of universities, hence stimulating mimetic processes. Other engineering programs will presumably follow their lead, and also other fields (like, for example, business and management education) might eventually follow this general model.

As the Bachelor and Master reform is rather a “top down“ process, and much less a “bottom up“ process in which universities try to gain a competitive advantage by introducing Bachelor and Master programs, the role of competition among universities plays a less stronger role than I expected. Nevertheless, there are also some interesting findings on what universities perceive as relevant when it comes to the subject of competition. These findings will be presented in the second part of my analysis.

⁹ The remarkable overall gain in status of the technical universities in the German system has recently become visible in the so-called “Excellence Initiative“, which aims at promoting top-level research at German universities. With the Universität Karlsruhe (TH) and the Technische Universität München two of the three universities which were selected in October 2006 as “top-level universities“ come from this group.

3. The framing of competition:

On the role of cognitive processes and competitive groups

The Bologna process aims at increasing the competitiveness of the European higher education area and its universities. The creation of a unified system of degrees does not only increase the competitive pressure among universities on the transnational, European level. Also with regard to the national, domestic level this pressure increases. The German higher education system is internally differentiated and marked by a strong institutional difference between universities and polytechnical schools (“Fachhochschulen”), which are lower in status, and more oriented towards training and less towards research. Engineering, for example, can be studied at both universities and polytechnical schools. With the advent of a unified system of degrees, i.e., Bachelor and Master, the traditional boundaries between these two institutional sectors become blurred in Germany, at least with regard to formal degrees. As a consequence, universities have to face more direct competition from polytechnical schools.

However, competition is hardly a given and external fact, which can be reconstructed without referring to the perception of the actors involved. Following the “cognitive turn” in both sociology (see, for example, Berger/Luckmann 1967, Goffman 1974) and organizational research (see, for example, Weick 1979; Zucker 1977), external “facts” have to be perceived, interpreted, and processed by individual and collective actors before turning into reality. This is equally true for competitive processes among higher education organizations. Therefore, one has to carefully analyze the way competition is being framed. This implies, on the one hand, to ask rather broadly how competition as a guiding principle in higher education is perceived by the actors involved. On the other hand, one should ask more precisely what universities perceive to be their relevant competitors. Here, I follow the analyses by Joel A.C. Lant and Theresa Baum (Lant/Baum 1995; Baum/Lant 2003) on the Manhattan hotel industry, in which they meticulously show that competitive processes among organizations are based on the perception of belonging to a specific competitive group. Only within this “socially constructed” group do competitive processes occur, while all other possible competitors do not appear to be relevant. Lant and Baum indicate that hotels position themselves within a “competitive group” based on three variables (price, size, location). The “competitive group”, on the one hand, reduces the amount of possible competitors taken into consideration, and it allows, on the other hand, for competitive behavior without directly relating to the demand side, the customers. As we will see, both aspects are of central importance for my analysis of the framing of competition by German universities.

With regard to the general question concerning competition, it is interesting to note that the idea that universities have to compete with each other is shared among all our interview partners and has become a taken-for-granted assumption in German higher education. Competition is widely seen as the most important means for improving the performance of universities. This, however, was not always the case. We also analyzed German higher education discourse in the 1980s and the 1990s through written documents, and we found out that up to the late 1980s much more critical voices were to be heard. Typically, the specificity of the educational sector was in-

voked by referring to “education as a public good”. Also the community aspect in higher education institutions – academia as a “community of scholars”; the von Humboldt ideal of a community of professors and students – served as a strong boundary against a stronger role for competition in higher education. In this specificity, many critics up to the 1980s saw a strong difference between the educational sector and the economic sector. While the educational sector was by many observers conceptualized as a stronghold of pure, disinterested, and communal activities, the economic sector was seen as a field of cut-throat competition and unbound market forces.¹⁰ Hence, following these critics, the boundaries between these two sectors and its underlying principles had to be maintained. Here one might also think of Theodor Adorno, the main representative of the Frankfurt school in sociology, who explicitly stated that “the principle of competition is opposed to human education“ (Adorno 1970: 126). Given the long history of German universities and their alleged conservatism, the unanimously positive emphasis on competition, which we found in our interview transcripts, can be seen as an indicator of rapid cultural change. Competition seems to be widely institutionalized. Within about two to three decades, it has become a taken-for-granted idea, which is hardly ever questioned.

With the help of our interview material we were also able to dissect different competitive groups as well as different areas of competition. Universities do not compete abstractly with other universities. In order to structure the field of competitors seriously taken into account, universities have to be seen as operating within “competitive groups”, in which only a small fraction of the number of logically possible competitors is included. When it comes to competition in the “organizational field“ of universities, political actors most often cited the international level and the universities to be found there as the appropriate frame of reference, this, typically, by invoking the “Bologna process“. Instead, the chosen frame of universities, the concrete “competitive group” in which they perceive themselves as being embedded, seems to be much more narrow, more regional. One interviewee, for example, asserted: “Can we attract students to study at our university or do they go to a university in the neighborhood.“ Given the huge number of universities only within Europe that are offering Bachelor and Master’s programs, this is a remarkable reduction of complexity. In these “competitive groups“ not only competition, but also a great deal of cooperation takes place. Universities, which are located within the same region like those in the Ruhr area or the previously mentioned “ABC“-universities, for example deliberately coordinate their efforts when it comes to setting up Master programs in order to attune them to the Bachelor programs at other universities of their concrete “competitive group“.

¹⁰ It is interesting to see that among sociologists this clear divide between the two sectors and its apparently overall guiding principles have been questioned from both relevant specialties from the 1970s on. As sociologists of science increasingly doubted the uniqueness of the scientific field and substituted related concepts by broader cultural accounts (Bourdieu 1975; Latour/Woolgar 1979), idealized concepts of business firms and markets disappeared with the advent of economic sociology (Granovetter 1985; Beckert 1997). As a consequence, distinct institutional boundaries and guiding principles are in both economic sociology and the sociology of science currently treated as analytical distinctions, not as empirical phenomena.

Though the regional level is perceived as central, the polytechnical schools, the “Fachhochschulen“, at this level are not perceived as important competitors. Contrary to my assumption and contrary to the perception of representatives from all the other groups we interviewed, the traditional distinction between those two sectors has hardly been blurred in the perception of many representatives from universities. Mostly when asked about the main competitors of a given university, “Fachhochschulen” were not mentioned at all. Those who mentioned them, stressed the differences as the following quote illustrates: “The ‘Fachhochschulen’ have a different goal and policy-makers are well advised to maintain that goal. They are more teaching-oriented and impart the ‘state-of-the art’ in a field. Therefore, we do not see them as our competitors as our goals are different.” This result is a bit surprising, given that through the Bachelor and Master reform the formal distinctiveness of degrees from these two sectors has disappeared. From the point of view of organizational research this could be seen as an indicator for the robustness of a “cognitive scheme” (Sims/Gioia 1986) of an organization. Such a scheme is a highly selective filter with regard to changes in the organization’s environment. It buffers the organization from these changes, preventing that such changes – in our case: the political upgrading of polytechnical schools in Germany through the Bologna process – are directly transformed into organizational change.

When dealing with the issue of competition among universities, according to our interview partners departments and disciplines still play a very strong role because “competition mainly takes place at the level of departments and disciplines”. Therefore, the aforementioned transformation of universities into coherent organizational actors, which are based on organizational leadership and accountability, could only partly alter their specific organizational characteristics. Though the university as an organization might position itself in a certain, mainly regional “competitive group”, the “competitive groups”, in which departments and disciplines position themselves are typically not pre-structured by the exigencies of the organization. Here, one finds much more variety, and the focus in many cases is first and foremost national or international. This holds in particular true for research and research funding. Interestingly, these areas were mentioned most frequently by our interview partners in universities when being asked about relevant areas of competition. The strong emphasis on competitive processes with regard to research and research funding leads to the question what role the demand side, the customers, play in the perception of universities and their competitive behavior. University students are increasingly conceptualized as customers being equipped with information about the range of products (i.e., the Bachelor and Master’s programs as well as their quality) and the right – or even the obligation – to make deliberate choices. Complementary to the construction of the university organization as a rational, choice-making actor, university students are increasingly seen as rational actors, making choices about their future and deliberately investing in higher education as a good, promising high return rates. According to many political and economic analyses, it is expected that the supply of programs by universities is a function of the students’ demands and that the universities as suppliers act according to market signals. However, in our interviews, to compete with other universities for students did not figure very prominently. Why is this the case?

On the one hand, this is due to limits on the demand side. German students on average do not behave following the ideal of rational, well-informed customers making their choices based on the quality of the product. As many studies have shown, the majority of students has a strong preference for the spatial proximity of a supplier, i.e., a university which is close to their home town (HIS 2005; KMK 2005a). It remains a fascinating question for future research to analyze how this might change due to an increase of product information through national and international rankings of universities and the creation of a price mechanism through tuition fees. At present, however, the “choice behavior” is still rather limited.

On the other hand, there are clear limits on the suppliers’ side to compete for customers. According to the analysis presented here, changes in the universities’ supply, i.e., the introduction of new programs along with the Bologna process, are hardly the result of competitive processes directed at the demand side. For universities the direct observation of unorganized individuals, i.e., students, is too costly and time-consuming. Therefore, the costumers remain fictive, imaginary, and constructed by the university organization. As a decision-making heuristics, instead, the behavior of other organizations in the field – the relevant “competitive group” according to Lant/Baum (1995) and Baum/Lant (2003) – is taken into account for both competition and cooperation.

4. Conclusion and discussion

To summarize my analysis, the dynamics of the Bachelor and Master reform in Germany is impressive and does not correspond to what one might have expected following higher education research on Germany. The rapid reform process can only be explained by the strong interactions between the different organizations in the field. Trying to identify concrete mechanisms and actors, it is obvious that the main driving-forces are not mimetic processes among similar organizations in the field, as neo-institutional researchers on organizational behavior typically find out.¹¹ Instead, the state as coercive actor seems to be the single most important factor in a process, which is accompanied by a stronger role for accountability and leadership within university organizations. With regard to carriers of normative pressure the analysis has shown that accreditation agencies were more important than other formal organizations in the field. However, these agencies are rather to be seen as an additional regulatory layer, not a substitute for state control in an ever more complex and multilayered regulatory structure. The same holds true with regard to the professorate, which only at first sight loses power with the introduction of a formal accreditation scheme in Germany. Though the individual professor is subject to regular external control and inspections, the professorate as a whole remains a central player in the process, as accreditation agencies base their decisions heavily on the judgement of the academic community.

Therefore, it seems that traditional actors in German higher education are not undermined by the transformation of universities into accountable decision-makers

¹¹ On this point see the critical account taken by Mizruchi/Fein (1999) in their meta-analysis of 26 studies based on DiMaggio/Powell (1983).

and the advent of accreditation agencies which hardly reduce the power of the state and the professorate. According to the analysis presented here, Burton Clark's famous characterization of the German governance-regime as "a combination of political regulation by the state and professional self-control by 'academic oligarchies'" (Clark 1983: 140) is less outdated than one might have expected. From both a research and a management perspective it will be interesting to observe the process in the long run. The attitude of departments and professors will be crucial when it comes to actually implementing the new structures. Formally setting up a program is one thing, but actually living up to it is much more demanding. Here, I assume that we will see a lot of variety among departments and professors in the future. The results will presumably differ according to whether the Bachelor and Master scheme is still perceived as being exogenous and being implemented in a "top down" fashion, or whether this scheme is seen as being in accordance with the internal motivation structures, be they collective (on the departmental level) or individual (on the professor's level).

Following my analysis of competitive processes, which was inspired by the "cognitive turn" in sociology and organizational research as well as by the concept of "competitive groups", several points stand out. It is striking to see how widely the notion that universities have to compete with each other was shared among our interview partners. Given the more critical attitude towards competitive forces in higher education, which prevailed in the German discourse up to the 1980s, this could be seen as a major discursive shift. When being asked about the relevant "competitive group", in which university representatives position their organization, one could detect a strong regional focus, also with regard to cooperation among universities. The European level, instead, seems to be of minor importance. This is noteworthy given that one of the main goals of the "Bologna process" is to foster competition and cooperation on the European level. Though the regional level is of central importance, universities hardly perceive polytechnical schools, which due to the Bachelor and Master reform can now award formally identical degrees, as competitors. Apparently, traditional boundaries between these two institutional sectors in higher education do not evaporate with the "Bologna process" and the related upgrading of polytechnical schools in Germany. Also in my analysis it became obvious that universities currently transform themselves into accountable organizational actors, for which leadership and "top down" decision-making structures become more important. Nevertheless, the traditional decentralized structure is still of vital importance, also concerning the issue of competition. The role of departments and disciplines was stressed by most of our interview partners, and the relevant "competitive groups" here are mainly on the national and international level. Especially with regard to research and research funding these levels seem to be of central importance. While research and research funding are areas, which were frequently mentioned when being asked about relevant areas of competition, competing with other universities for students was mentioned to a far lesser extent.

That competing for students does not figure as prominently as competing for research grants and excellence in research is due to limits on both the supply and the demand side. Universities as suppliers observe their potential customers to a lesser extent than their research and funding environments, whereas German students on av-

erage have a strong preference for the spatial proximity of the supplier, not for quality per se. One might expect that the introduction of tuition fees, which from 2005 on is made possible in most German federal states, will change this basic decision-making heuristics of universities. However, doubts remain. For the next decade, experts expect a considerable growth of the students' population in Germany (KMK 2005b). Due to that increasingly strong demand for higher education, competitive pressures on universities will be lower than in areas where external resources become scarce. In addition, a more general argument seems to be valid here. Following the empirical analyses of Lant/Baum (1995), Baum/Lant (2003) and other organizational researchers even on markets where the competitive behavior of suppliers is coordinated through prices, the demand side is mainly constructed through the observation of other suppliers, i.e., the relevant "competitive group". It seems that also in a European higher education market the market is rather a mirror – to borrow a lucid metaphor from the economic sociologist Harrison White (1981) who has analyzed market structures both empirically and theoretically –, behind which the demand side remains invisible, but which allows individual competitors on the supply side to mutually observe each other and develop their strategies accordingly. With regard to the Bologna process one could ask whether university organizations as well as students indeed develop a stronger orientation towards the European level, or whether the national and in particular the regional level are reinforced as areas, where competition takes place.

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