

Chapter 1

Diversity and Differentiation in Higher Education¹

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1.1 Introduction

This chapter addresses the concepts of diversity and differentiation in higher education. It explores the literature regarding these concepts and offers a conceptual framework which seeks to explain why processes of differentiation and dedifferentiation take place in higher education systems.

When discussing external diversity and processes of system differentiation, we will discuss the behaviour of the various “actors” in the system. These actors to a large extent are the higher education organisations that are part of a higher education system. We will interpret these organisations as “corporate actors” (Coleman 1990, p. 531), and will assume that the explanation of social phenomena like differentiation and diversity is possible by means of analysing the behaviour and/or opinions of these corporate actors who need not necessarily be natural persons (although the activities of corporate actors are of course carried out by people).

In the higher education literature several forms of diversity are mentioned. In a survey of the literature Birnbaum (1983) identifies seven categories that are largely related to external diversity (Huisman 1995):

- *Systemic diversity* refers to differences in institutional type, size and control found within a higher education system.
- *Structural diversity* refers to institutional differences resulting from historical and legal foundations, or differences in the internal division of authority among institutions.
- *Programmatic diversity* relates to the degree level, degree area, comprehensiveness, mission and emphasis of programmes and services provided by institutions.
- *Procedural diversity* describes differences in the ways in which teaching, research and/or services are provided by institutions.

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- *Reputational diversity* communicates the perceived differences in institutions based on status and prestige.
- *Constituent diversity* alludes to differences in students served and other constituents in the institutions (faculty, administration).
- *Value and climate diversity* is associated with differences in social environment and culture.

For our purposes, the distinction between external and internal diversity is the crucial one. We will focus on the differences *between* institutions rather than on differences *within* institutions, but we will take differences in their programmes (of teaching and research) into account. In this book we will use the term *institutional diversity* to describe the external diversity in higher education systems. An important distinction regarding institutional diversity, which we will also use in this volume, is the one between vertical and horizontal diversity (Teichler 2007a, b). Vertical diversity is understood to address differences between higher education institutions in terms of (academic) prestige and reputation. Horizontal diversity regards differences in institutional missions and profiles.

1.2 Classical Studies

Generally speaking, the first comprehensive study on diversity and differentiation is Charles Darwin's *Origin of Species* published in 1859. Darwin's explanation of evolution and biological diversity was definitely radical for the time. He argued that diversity results not from divine creation or an overall master plan, but from an undirected, random process of adaptation to environmental circumstances in combination with successful sexual reproduction. Darwin's original theory of natural selection has been refined and supplemented over the years, but his basic concepts are still judged to be valid and have inspired many other theoretical frameworks.

Differentiation also has become a well-known concept in the social sciences. Here the first study of differentiation is of course Durkheim's classic *The Division of Labor in Society* (1893). Building on Durkheim (and Weber), Parsons designed his famous structural-functionalist conceptualisation of differentiation (Parsons 1966).

Since Durkheim, many social scientists have contributed to the further theoretical conceptualisation of differentiation processes. However, as Rhoades (1990) points out, these contributions are directed to the effects rather than the causes of differentiation. In the evolutionary approach to differentiation, which has its roots in the classical studies of Marx and Spencer, differentiation is seen mainly as an element in the "adaptive processes of social systems which retain these structures, processes, etc. that lead to greater adaptation to the environment" (Campbell 1965, p. 16). Similarly, the functionalists focus on the assumed needs and functions of social systems and hence tend to see differentiation as a component in a process of enhancing the adaptive capacity and the efficiency of social systems (Merton 1968).

Nevertheless, the social sciences appear to contain less of an explanatory mechanism for processes of differentiation leading to higher levels of diversity than the biological theory of natural selection. The most powerful social science explanation of differentiation actually comes very close to the biological explanation. Particularly based on economic theory, it often is argued that market mechanisms result in processes of differentiation and create optimum levels of diversity in a system. In analogy to the biological theory of natural selection, competition among social actors is assumed to select the strongest or the best in a certain context, while stimulating all actors to find niches to which they are best suited. The crucial difference between biological natural selection and market-driven adaptation is of course that social actors' behaviour is purposive and non-random. In social contexts rationality is part of the game. The next section introduces some of the more recent perspectives in organisational sociology that specifically address this issue of purposive behaviour in social systems.

1.3 Recent Perspectives

The explanatory framework to be presented later in this chapter draws heavily on three theoretical perspectives from organisational theory: the population ecology perspective, the resource dependency perspective and the institutional isomorphism perspective. Although these three perspectives have much in common, there are also some specific differences.

The population ecology approach is based on the Darwinian evolutionary point of view. According to Hannan and Freeman, two of the most important authors in this field, the population ecology approach concentrates "on the sources of variability and homogeneity of organisational forms.... In doing so, it pays considerable attention to population dynamics, especially the processes of competition among diverse organisations for limited resources such as membership, capital and legitimacy" (1989, p. 13).

The resource dependency perspective stresses the mutual processes of interaction between organisations and their environments. According to this approach, organisations on the one hand are dependent on their environments (which primarily consist of other organisations) but on the other hand these organisations are also able to influence their environments. "Rather than taking the environment as a given to which the organisation then adapts, it is considerably more realistic to consider the environment as an outcome of a process that involves both adaptation to the environment and attempts to change that environment" (Pfeffer & Salancik 1978, p. 222).

The institutional isomorphism approach stresses that in order to survive, organisations have to adapt to the existence of and pressures by other organisations in their environment. These adaptation processes tend to lead to homogenisation, as organisations react more or less similarly to uniform environmental conditions. Isomorphism is a constraining process that forces organisations to resemble other

organisations that face the same set of environmental conditions (DiMaggio & Powell 1983).

Further on, the theoretical notions of these three perspectives are used to develop a conceptual framework that intends to explain the processes of differentiation and dedifferentiation in higher education systems. Before doing so, let us first focus on the various arguments in favour of diversity and differentiation in higher education systems, and let us address the most relevant studies on these concepts in the literature.

1.4 Arguments in Favour of Diversity

Diversity has been identified in the higher education literature as one of the major factors associated with the positive performance of higher education systems. Birnbaum (1983) presents an overview of the various arguments found in the literature in favour of institutional diversity (which I have adapted somewhat). Many of these arguments appear to be highly relevant in the context of higher education policy-making.

First, it is often argued that increased diversity in a higher education system is an important strategy to meet student needs. A more diversified system is assumed to be better able to offer access to higher education to students with different educational backgrounds and with varied histories of academic achievements. The argument is that in a diversified system, in which the performance of higher education institutions varies, each student is offered an opportunity to work and compete with students of similar background. Each student has the opportunity to find an educational environment in which chances for success are realistic.

A second and related argument is that diversity provides for social mobility. By offering different modes of entry into higher education and by providing multiple forms of transfer, a diversified system stimulates upward mobility as well as honourable downward mobility. A diversified system allows for corrections of errors of choice; it provides extra opportunities for success; it rectifies poor motivation; and it broadens educational horizons.

Third, diversity is supposed to meet the needs of the labour market. The point of view here is that in modern society an increasing variety of specialisations on the labour market is necessary to allow further economic and social development. A homogeneous higher education system is thought to be less able to respond to the diverse needs of the labour market than a diversified system.

A fourth argument is that diversity serves the political needs of interest groups. The idea is that a diverse system ensures the needs of different groups in society to have their own identity and their own political legitimacy. In less diversified higher education systems the needs of specific groups may remain unaddressed, which may cause internal debates in a higher education system.

A fifth and well-known argument is that diversity permits the crucial combination of élite and mass higher education. Generally speaking, mass systems

tend to be more diversified than elite systems, as mass systems absorb a more heterogeneous clientele and attempt to respond to a wider range of demands from the labour market. In his famous analysis of mass and elite systems, Trow (1979) has indicated that the survival of elite higher education depends on the existence of a comprehensive system of non-elite institutions. Essentially, Trow argues that only if a majority of the students are offered the knowledge and skills that are relevant to find a position in the labour market will a few elite institutions be able to survive.

A sixth reason why diversity is an important objective for higher education systems is that diversity is assumed to increase the level of effectiveness of higher education institutions. This argument is made for instance by the Carnegie Commission (1973) which has suggested that institutional specialisation allows higher education institutions to focus their attention and energy, and thus achieve higher levels of effectiveness.

Finally, diversity is assumed to offer opportunities for experimenting with innovation. In diversified higher education systems, institutions have the option to assess the viability of innovations created by other institutions, without necessarily having to implement these innovations themselves. Diversity offers the possibility to explore the effects of innovative behaviour without the need to implement the innovation for all institutions at the same time. Diversity permits low-risk experimentation.

These various arguments in favour of institutional diversity show that diversity is usually assumed to be a worthwhile objective for higher education systems. Diversified higher education systems are supposed to produce higher levels of client-orientation (both regarding the needs of students and of the labour market), social mobility, effectiveness, flexibility, innovativeness and stability. More diversified systems, generally speaking, are thought to be “better” than less diversified systems. And many governments have designed and implemented policies to increase the level of diversity of higher education systems.

Unfortunately, it is not always clear how an increase in a higher education system’s diversity should be realised. The many governmental policies that have been developed and implemented do not always lead to the desired results. It appears that, although these concepts have a long tradition in the social sciences, diversity and differentiation are still only partly understood.

1.5 Studies on Differentiation and Diversity in Higher Education

The concepts of diversity and differentiation have been widely discussed in the higher education literature. In this section, a brief categorisation of the most influential studies is presented (for a more elaborate overview, see Huisman 1995).

It appears that many studies on diversity and differentiation in higher education can be distinguished according to the question of whether differentiation or dedifferentiation processes are assumed to take place in higher education systems.

On the one hand there are studies that claim that higher education systems show an immanent drive towards differentiation and increasing levels of diversity. On the other hand there are studies that argue that higher education systems are characterised by dedifferentiation and decreasing levels of diversity.

Examples of the category of studies claiming an immanent drive towards increasing levels of diversity are Parsons and Platt (1973) and Clark (1978). In their well-known study on the US higher education system, Parsons and Platt discuss, in addition to several other themes, the processes of differentiation within higher education systems. Their main argument appears to be that processes of differentiation occur when new functions emerge in a system. An example is the development of graduate schools, which have come to be differentiated from undergraduate colleges. However, differentiation apparently does not necessarily imply the coming into existence of a new type of organisation, as the authors also argue that new functions can be integrated in existing organisations.

Clark's argument regarding diversity and differentiation is based on his conviction that the growing complexity of bodies of knowledge brings along an ever-increasing fragmentation within and among higher education organisations. According to Clark (1983), the increasing complexity of higher education systems (and of the functions this system must fulfil) is an outcome of three related forces: the increasing variety of the student population, the growth of the labour market for academic graduates and the emergence and growth of new disciplines. The effects are ongoing differentiation processes and increasing levels of diversity. Emphasising that differentiation often is in the interest of groups and individuals, Clark underlines the immanent drive towards differentiation in higher education: "Once created and made valuable to a group, often to an alliance of groups, academic forms persist. Out of successive historical periods come additional forms, with birth rate greatly exceeding death rate. Differentiation is then an accumulation of historical deposits" (Clark 1983, p. 221).

Next to the studies that claim that higher education systems show a more or less permanent drive towards differentiation stand the studies that argue that *dedifferentiation* is the name of the higher education game. Examples of this category of studies are Riesman (1956), Birnbaum (1983), and Rhoades (1990). In his classical study *Constraint and Variety in American Education* (1956), Riesman compares the US higher education system with a kind of reptilian procession during which certain higher education institutions will move to the positions where other institutions were before. According to Riesman, this procession is the result of the typical behaviour of higher education institutions, which basically consists of lower status institutions trying to gain status by imitating higher status institutions (especially the prestigious research universities). This imitating behaviour, also indicated as "academic drift" (Neave 1979), creates a tendency towards uniformity and decreasing levels of diversity.

Birnbaum (1983) not only presents an elaborate classification on forms of diversity (in which seven forms of diversity are identified), he also tries to empirically assess the changes in external diversity in the US higher education system between 1960 and 1980. His findings show that during this period the number of institutional

types had not increased and thus that differentiation had not occurred. Birnbaum hypothesises that especially centralised state-level planning and the application of rigid criteria for the approval of new institutions and programmes hamper differentiation processes. Governmental policies, says Birnbaum, may be a major factor in producing processes of dedifferentiation and decreasing levels of diversity.

Rhoades' (1990) argument is that processes of dedifferentiation are the result of political competition between academic professionals and (external) lay groups, and governmental policies that structure these processes of competition. Rhoades indicates that as an effect of governmental policies and administrative systems in higher education, the power of the academic professionals is often quite large. The power balance between academics and lay groups to a large extent determines whether differentiation actually occurs. Comparing the developments in the higher education systems of the UK, France, Sweden and the US, Rhoades concludes that academics have been successful in defending their own norms and values and hence have prevented differentiation processes from taking place.

The various studies just presented show that institutional diversity and differentiation have been regularly addressed by higher education scholars. However, these studies also show that rather different points of view appear to exist regarding the direction of differentiation or dedifferentiation processes in higher education systems. Are these systems showing an immanent drive towards differentiation because of the emergence of new functions (Parsons & Platt) or because of the growing complexities of the bodies of knowledge and the variety of the student body and the labour market (Clark)? Or are systems of higher education to be characterised by immanent processes of dedifferentiation because of the imitating behaviour of lower status institutions (Riesman), centralised and uniform governmental policies (Birnbaum), or academic conservatism (Rhoades)?

In the following section some of these factors are combined into a conceptual framework which seeks to explain institutional diversity in higher education systems.

1.6 A Theoretical Framework for Explaining Differentiation and Diversity in Higher Education Systems

In this paragraph, the framework for a theory of differentiation and diversity in higher education systems will be sketched. Our point of departure will be the well-known "open systems" approach in the social sciences. Using this approach, we interpret higher education as a system consisting of individual higher education organisations (being the components – or subsystems – of the higher education system) embedded in an environment which includes the social, political and economic conditions within which the higher education organisations need to operate. Being an open system, the higher education system is open to its environment, which implies that its components are both able to receive inputs (in the form of

students, faculty, finances, and other resources) and to deliver outputs (in the form of graduates, research, results and advice). This leads us to a first assumption for the theoretical framework:

Assumption 1: Organisations for higher education receive inputs from and produce outputs for their environments.

To the still rather general open systems approach, we add the three (mutually related) theoretical perspectives from organisational theory that were briefly introduced earlier: the population ecology perspective, the resource dependency perspective and the institutional isomorphism perspective.

The population ecology perspective has been sketched by Morgan (1986, p. 66) in the following terms: “Organisations, like organisms in nature, depend for survival on their ability to acquire an adequate supply of resources necessary to sustain existence. In this effort they have to face competition with other organisations, and since there is usually a resource scarcity, only the fittest survive. The nature, number and distribution of organisations at any given time is dependent on resource availability and on competition within and between different species of organisations.”

In the population ecology model, the environment is the critical factor. The environment determines which organisations succeed and which fail. The environment acts as the critical selector. This point of view is clearly based on the Darwinian evolutionary perspective of variation, selection and retention. Variation may take place by means of various sources (planning, but also error, chance, luck and conflict; see Aldrich 1979, p. 28). Selection is the process by which the organisations that fit particular environmental conditions are positively selected. Retention is the process in which the selected variations are preserved (Aldrich 1979, pp. 28–31).

There are a few theoretical notions of the population ecology perspective that need our special attention. One is that the theoretical model is directed to understanding the dynamics of whole populations of organisations rather than of individual organisations. In the work by Aldrich, Hannan and Freeman, and others, the population ecology perspective refers to the aggregate study of organisations, that is, the organisations that fall within a certain “population”. The emphasis of the theoretical model is on the rise and decline of different species of organisations, as well as on their shared characteristics.

This focus on populations of organisations is less relevant for our purposes. Given the wish to develop a theoretical framework for the explanation of differentiation and diversity in higher education systems, a focus on the rise and decline of species of organisations (and hence on a very large timeframe) appears to be less fruitful. Rather, the theoretical framework should address the ways by which processes of differentiation take place in higher education systems, as well as the resulting levels of diversity.

Another crucial insight of the population ecology model (as already indicated) is the idea that it is the ability of organisations to acquire relevant environmental resources (i.e., to obtain a resource niche) that is most important for success and survival. Organisations need an input of resources from their environment to be able to sustain existence. When resources are scarce, those organisations that are better able to secure a more or less permanent input have a better chance of survival.

Related to this notion is the important emphasis on competition. In the population ecologists' view, the process of competition for scarce resources will show which organisations are able to outperform their competitors and hence have a better chance to find a successful resource niche.

From the population ecology perspective we take two further assumptions for a theory of differentiation and diversity in higher education systems:

Assumption 2: In order to survive, higher education organisations need to secure a continuous and sufficient supply of resources from their environments.

Assumption 3: When scarcity of resources exists, higher education organisations compete with each other to secure a continuous and sufficient supply of resources.

This brings us to the important concept of structural isomorphism. In the population ecology perspective the competition between organisations produces a certain correspondence between, on the one hand, the environmental conditions (resources and constraints) and, on the other hand, the structural characteristics of organisations. According to Hannan and Freeman, the diversity of organisational forms is proportional to the diversity of resources and constraints in their environments (Hannan & Freeman 1989, p. 62). These authors also claim that the competition for scarce resources causes competing organisations to become similar. The conditions of competition lead to similar organisational responses and, moreover, to the elimination of the (dissimilar) weaker organisations. The result is an increase of homogeneity (structural isomorphism) (Hannan & Freeman 1977, p. 939).

However, the population ecology perspective has been criticised for exactly this notion of decreasing diversity under conditions of competition for scarce resources. Hawley (1986), for instance, contests Hannan and Freeman's assumption that competition for scarce resources causes structural isomorphism: "As a type of relation, competition is readily observable; as a producer of particular outcomes it is obscure. At most it helps account for the elimination of some contestants from a share of the limited resource" (Hawley 1986, p. 127). Apparently the relationships between environmental conditions, competition and diversity need further exploration.

At this point we turn to the two other (and related) perspectives from organisational theory: the resource dependency perspective and the institutional isomorphism perspective.

Although closely related to the population ecology perspective, the resource dependency perspective also shows an important distinction. While the population ecology model tends to emphasise the unidirectional organisational dependency on environmental conditions, the resource dependency model underlines the idea of mutual influencing. The environment certainly is perceived as having a major impact on organisational behaviour but, at the same time, organisations are also assumed to have certain effects on their environment. Pfeffer and Salancik (1978, p. 222) state this point of view as follows: "The view that organisations are constrained by their political, legal and social environment is only partially correct ... organisations are not only constrained by their environments but ... in fact, law, legitimacy and political outcomes somewhat reflect the actions taken by organisations to modify their environments for their interests in survival, growth and certainty."

We follow this line of argument and I assume that organisations (also in higher education) are affected by their environmental conditions, but are also able to affect these conditions.

Assumption 4: Higher education organisations both influence and are influenced by their environmental conditions.

Returning to the relationships between environmental conditions, competition and diversity, we are now not only able to formulate the expectation that competition for scarce resources forces organisations to more or less similar responses, but also that, when confronted with scarcity of resources, organisations may want to try to influence their environmental conditions in order to secure better conditions. To the notion of the population ecology perspective of structural isomorphism as a result of competition for scarce resources, we now add the insight from the resource dependency perspective that, confronted with scarcity, organisations can act to influence their environment. The remaining question of course is *how* organisations tend to act when their supply of resources is threatened. To find an answer to this question, let us look at the perspective of institutional isomorphism.

The basic view of this perspective is that the survival and success of organisations depend upon taking account of other organisations in the environment. According to DiMaggio and Powell (1983), this leads to three forms of institutional isomorphism, all leading to an increasing similarity in organisational behaviour and producing a decrease of systems diversity. Coercive isomorphism results from the pressures applied by other organisations (in the environment) on which the organisation is dependent (e.g., governmental policies and laws). Mimetic isomorphism stems from uncertainty caused by poorly understood technologies, ambiguous goals and the symbolic environment, which induces organisations to imitate the behaviour of perceived successful organisations. Normative isomorphism stems from professionalisation. Professionalism leads to homogeneity both because formal professional training produces a certain similarity in professional background and because membership of professional networks further encourages such a similarity.

It may be clear from these three forms of institutional isomorphism that, according to DiMaggio and Powell, both certain environmental conditions (e.g., governmental policies) and specific organisational characteristics (e.g., the perceived uncertainty of the environment and the degree of professionalisation of the organisation) may produce dedifferentiation processes. The argument appears to be that, confronted with scarcity of resources, organisations may either be forced to react in such a way that dedifferentiation processes occur, or they may themselves show a behaviour that contributes to a decrease in the external diversity of the overall system.

Using the insights from the three perspectives of organisational theory we may now formulate some general relationships between, on the one hand, environmental conditions and (de)differentiation, and, on the other hand, organisational behaviour and (de)differentiation. Keeping in mind the factors suggested in the higher education literature, a first proposition could be that the level of uniformity/variety of the environment of the organisation is related (by means of the organisation's adaptive behaviour) to the level of diversity of the higher education system. This proposition

follows the notion of the population ecology model of competition under conditions of scarce resources; it underscores the argument of coercive isomorphism and accepts the idea that it is the organisation itself that shows the relevant adaptive behaviour.

Proposition 1: The larger the uniformity of the environmental conditions of higher education organisations, the lower the level of diversity of the higher education system.

Relevant factors from the higher education literature that could be used to test this proposition are: the level of uniformity of governmental policies (Birnbaum) and the level of variety in the student body and in the needs of the labour market (Clark).

A second proposition can be formulated when we focus on the general relationship between organisational behaviour and (de)differentiation. Again referring to some of the factors mentioned in the higher education literature (see above), the proposition could be that the level of influence of academic norms and values in a higher education organisation is related (by means of either academic professionalism or imitating behaviour) to the level of diversity of the higher education system. Also this proposition follows the notion of competition under conditions of scarce resources; it emphasises the arguments of mimetic and normative isomorphism and accepts the ability of the organisation to choose its own behaviour.

Proposition 2: The larger the influence of academic norms and values in a higher education organisation, the lower the level of diversity of the higher education system.

Relevant factors from the higher education literature to test this proposition are: the ability of academic professionals to define and defend the (academic) norms and values as relevant for higher education organisations (Rhoades) and the extent to which academic norms and values guide the imitating behaviour by lower status institutions (academic drift) (Riesman).

The two propositions offer a combination of structural isomorphism caused by competition (from the population ecology model) and institutional isomorphism caused by coercive, mimetic and normative pressures (from the institutional isomorphism model). In addition, the propositions show that the actual occurrence of processes of differentiation and dedifferentiation has to be explained by the combination of (external) environmental conditions and (internal) organisational characteristics. Either the tension between or the joining of these forces can offer a coherent explanation for processes of differentiation or dedifferentiation and thus for lower or higher levels of institutional diversity in a higher education system.

1.7 Higher Education Research Outcomes

Let us now return to the higher education literature and try to find some empirical indications that may be related to the conceptual framework. Are there outcomes of empirical higher education research that are relevant for testing our theoretical notions?

There appear to be remarkably few studies that produce empirical outcomes on diversity and differentiation in higher education. A few relevant studies can be mentioned. Huisman, Meek and Wood (2007) recently undertook a cross-national and longitudinal analysis of ten higher education systems. They found that, generally speaking, system size (the number of higher education institutions in a system) does not necessarily imply a high level of diversity. In addition, it appeared that governmental regulation may help to preserve a formally existing level of diversity in a higher education system, but that government-initiated merger operations bring about more homogeneity rather than an increase of diversity. The explanation offered by the authors is in line with our conceptual framework. They suggest that legally mandated boundaries in higher education systems (as for instance in legally regulated binary systems) are preserving the existing level of diversity, but that governmental policies that offer more autonomy to higher education institutions encourage these institutions to emulate the most prestigious ones.

The already mentioned studies by both Birnbaum (1983) and Rhoades (1990) also appear to offer empirical support for the theoretical framework presented. Birnbaum found that during the period 1960–1980 the institutional diversity of the US higher education system had not increased although the system had grown enormously. “It appears that the higher education system has used the vast increase in resources primarily to replicate existing forms (such as the community college) rather than to create new ones” (Birnbaum 1983, p. 144). In a recent study Morphew has repeated Birnbaum’s study for the period 1972–2002. His findings reveal that, although the study period exhibited great change in the US higher education system, there is zero (or negative) growth in the general diversity of US higher education (Morphew 2006).

Rhoades (1990) compared the developments in the higher education systems of the UK, France, Sweden and the US between 1960 and 1980. His general finding appears to be that, although these systems show a certain amount of change, the processes of dedifferentiation were predominant. Rhoades expected that, because of a decrease in the financial resources for higher education during this period, the competition between the higher education institutions would increase, which would produce an increase in diversity. While discussing his empirical findings, he on the one hand suggests that several of the governments of the four countries have taken initiatives to introduce new types of institutions, but he also concludes that these governments (as well as accreditation boards) have contributed to dedifferentiation. In addition, Rhoades argues, it appears that in the four countries the influence of academic professionals in particular has been substantial. Academics appear to be able to define and monopolise the nature of their professional activities, and, by doing so, preserve the existing *status quo*. Academic professionals appear to be successful in resisting initiatives to change the system and in inhibiting processes of differentiation.

Several other empirical studies on differentiation in higher education systems appear to point in the same direction. In an analysis of differentiation processes in the Canadian higher education system, Skolnik (1986) comes to conclusions that are rather similar to the ones formulated by Birnbaum and Rhoades. According

to Skolnik, the Canadian higher education system is faced with pressures towards homogenisation because of both the restricting provincial steering approaches and the strong dominance of the values and norms of academic professionals.

In a study of the changes in the Dutch higher education system, Maassen and Potman (1990) analysed the university “development plans”. Their objective was to find out whether the universities had been able to use their enlarged autonomy (the result of new governmental policy) to create more diversity in the system. Their conclusion is negative: “... innovations all seem to go into the same direction of homogenisation. As far as the development plans are concerned, the institutions have not succeeded in establishing meaningful and discriminating profiles. On the contrary, it seems likely that various homogenising developments will emerge” (Maassen & Potman 1990, p. 403). According to the authors, the combination of governmental regulations and the power of the academic professionals (especially in the quality control system) explains the trend towards decreasing diversity.

Meek (1991) has analysed the structural changes in the Australian higher education system. An increase of institutional autonomy, the demise of the binary system and a large-scale merger operation were assumed to allow for more diversity in the system. According to Meek, the strong academic values and norms as well as the processes of academic drift tend to inhibit the increase of diversity. Dedifferentiation rather than differentiation appears to be the case in the Australian system.

The various empirical studies appear to underline the notions of the theoretical framework presented earlier. According to the authors of these studies, environmental pressures (especially governmental regulation) as well as the dominance of academic norms and values are the crucial factors that influence the processes of differentiation and dedifferentiation in higher education systems. In all cases, the empirical observations point in the direction of dedifferentiation and decreasing levels of diversity. The overall impression is that, in empirical reality, the combination of strict and uniform governmental policies and the predominance of academic norms and values leads to homogenisation.

However, it should be kept in mind that the theoretical framework also suggests other possible outcomes. When the environmental conditions are varied and when the influence of academic norms and values in a higher education institution is limited, the level of systems diversity may be expected to increase. Also, according to the theoretical framework, the combinations of uniform environmental conditions and limited influence of academic norms and values on the one hand, and of varied environmental conditions and large influence of academic norms and values on the other, might be related to either increasing or decreasing levels of diversity.

In addition, it may be pointed out that the pressures from governmental regulation do not necessarily have to be seen as mechanisms for homogenisation. As has been indicated by Huisman et al. and Rhoades, governmental policies may also play an important role in maintaining existing and formally regulated levels of diversity, if necessary, by containing academic conservatism and/or imitating behaviour by lower status institutions. From this point of view, the regulatory policy regarding the complex tripartite structure of the public sector higher education system of

California appears to be interesting. Although tensions exist within this system, it appears that the California Master Plan has succeeded in preventing homogenisation processes from occurring. A conscious legislative decision to maintain a certain level of diversity in the public system apparently has been able to restrain academic drift (Fox 1993).

A recent and interesting approach to maintaining and even increasing the diversity of a higher education system is the process followed by the University Grants Committee (UGC) of Hong Kong. The UGC entered into an open discussion with each of the (eight) universities of the Hong Kong higher education system and stimulated them to formulate their specific missions and roles in the context of the broader system. Subsequently, these missions and roles were formalised in agreements between the individual institutions and the UGC. During this process the UGC kept an eye on its objective to increase the diversity at the level of the system. Finally, after a few years, the UGC developed a Performance and Role-related Funding Scheme in which it explored, together with the individual institutions, whether they had been able to remain within the parameters of their mission and role statements. The result was a clear increase of the diversity of the Hong Kong higher education system and even a growing enthusiasm within the institutions to stick to their roles.

1.8 Conclusion

In this chapter we have discussed both the theoretical and empirical literature on diversity and differentiation in higher education. We explored some relevant theoretical perspectives in especially organisational theory that intend to explain processes of differentiation and dedifferentiation in social systems. We constructed our own conceptual framework seeking to explain why processes of (de)differentiation take place in systems of higher education, and we confronted this framework with the relevant outcomes of empirical higher education research.

Our conclusion is that two sets of variables appear to be crucial in the processes of differentiation and dedifferentiation in higher education systems. One set of variables regards the environmental conditions with which higher education institutions are being confronted and that to a large extent influence the behaviour of these organisations. In this set of variables in particular governmental regulation and policies appear to be highly influential factors. At the same time, it appears that market forces do not necessarily lead to increasing diversity. The second category of variables relates to the impact of professionalism in higher education, particularly as a normative mechanism influencing the dynamics of professional behaviour. The dominance of certain (academic) norms and values (through professional training and networks) has a major impact on (de)differentiation processes in higher education systems.

We also noted that uniformity of environmental conditions and of academic norms and values appear to lead to homogenisation in higher education systems.

Higher levels of diversity of contextual conditions and of normative frameworks bring about higher levels of diversity in higher education systems.

It is along these lines that, in this book, we intend to develop an instrument for classifying higher education institutions. Assuming that institutional diversity in higher education systems (differences between institutions) can be stimulated by heterogeneous environments and by a variety in the norms and values expressed by specific types of institutions, we will suggest an instrument that is able to create transparency of diversity.

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