LOLF FROM THE VANTAGE POINT OF THE UNIVERSITY

A. Drumaux, R. Fouchet and E. Turc

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In the first part, we set out a panoramic view of sectoral and organizational changes in higher education prior to LOLF. Despite various legislations during the 80s and 90s, the vast majority of universities failed to gain greater autonomy and to strengthen themselves as institutions, each with its own university-wide policies and governance. It is only with the LMD (licence-master-doctorate) reform that these professional bureaucracies started to destabilize. The study conducted at a pilot university experimenting with LOLF shows that the memory of earlier waves of reform is a structuring factor in players’ understanding of LOLF, paving the way for a deeper transformation.

In the second part, the effects of LOLF are analysed in terms of their impact on information systems and of the tools put in place by universities. These include local management tools and those, like the four-year contact, introduced by the previous reforms of the sector. Based on a survey at two different universities, we point to a reorganization of interactions between the different bodies responsible for higher education, a reorganization that also is reflected within the university, particularly in relation to its component parts. At the heart of this process we observe a refocusing on the four-year contract, but "lolf-icized", and an impact on internal management tools, albeit highly dependent on local initiatives and internal capabilities.

Part three discusses the possible extension of these results by bringing into the analysis the context created by the 2007 Law on University Freedoms and Responsibilities (Libertés et responsabilités universitaires - LRU).
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Anne Drumaux 1
Robert Fouchet
Emil Turc

Summary
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The Framework Law on Finance Acts (La Loi Organique sur les Lois de Finance - LOLF) which was passed by the French parliament in 2001 and came into effect in January 2006 has defined a new architecture of the French state budget, articulated in terms of missions, programmes and actions. For the French State itself, this is a major step forward in terms of public accounting which aims to improve the management of public action by those responsible for the programmes at ministerial level, with greater visibility for both citizens and the National Assembly.

This reform has a number of similarities with other reforms in different countries, for example the American GPRA 3 of 1993, that are reforming the classical budget process as a means of authorizing expenditure, in a strategic and management control process aimed at linking resources and results.

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2 See the website www.minefi.gouv.fr
3 The GPRA (Government Performance Result Act) is a reform which was adopted in 1993 during the first Clinton administration aimed at establishing strategic planning and measuring the performance of the Federal
In a certain way we can view these budget process reforms as emblematic, given that they are based on a true classical model (JOYCE, 1999) of the strategic approach in the public sector. It is precisely their top-down character that drew our attention, given our interest in analysing a reform from bottom point of view.

The French universities as a starting point for examining reform processes in the public sector seemed all the more pertinent to us because universities in France have been the subject of many reforms, from the 1968 Faure Act to the 2007 LRU Act, all specifically targeted at higher education. While these sectoral reforms have sought to different degrees to build university autonomy, LOLF imposes itself on higher education first of all through its financial and accounting nature; it is to start with a matter of budget technique. A reading LOLF from the university viewpoint seeks to analyse the extent to which it has changed the institutional context of the university and what effect it has had in terms of management at the university level.

The two field studies, conducted three years apart, analyse the viewpoint of the university at two ‘special moments’. They seek to understand both players’ expectations and the way the organization has ‘metabolized’ the reform in the light of previous reforms:

- an ex-ante analysis of LOLF in its experimental phase, looking at the construction of meaning by the players at a point in time when the reform had already been voted but still existed in an experimental in-between form, being implemented on a voluntary basis by certain universities. The institution which was selected from 2004 as a pilot experimental institution will be referred to below as university P;
- an ex post analysis, which looks at tools and indicators, both at the local university management level and also in relation to the new context of reform and tools that these serve. In this case two universities, X and Y, were analysed.4

This breaking up into ‘before / after’, apart from being justified chronologically, has another interest in that it clearly distinguishes two different stages in the reform process, the first being the adoption or construction of meaning in an experimental phase and the second being its implementation in terms of mechanisms, in order to track as closely as possible what is happening at the university grass roots level.

This contribution is in three parts. Using a neo-institutionalist reference framework, the first part presents the construction of meaning around the LOLF reform. The second describes its impact on the different responsible bodies and on the management tools in place. The third discusses three proposals based on the two field surveys.

1. A neo-institutionalist reading of sectoral and organizational changes in higher education prior to LOLF

The first part presents an overview of organizational changes in the wider higher education sector prior to LOLF. Despite various items of legislation during the 80s and 90s, the vast majority of universities failed to gain greater autonomy and to strengthen themselves as institutions, each with its own university-wide policy and governance. It is only with the LMD (licence-master-doctorate) reform that these professional bureaucracies started to destabilize. The study, conducted on the ground at University P, which was experimenting with LOLF on a pilot basis, points to the memory of earlier waves of reform as a structuring factor in players’ understanding of LOLF, thus paving the way for a deeper transformation.

4 The universities are mentioned on an anonymous basis, because respondents were so good as to respond to a series of detailed questions on their management systems. For this reason it seemed to us normal to preserve the anonymity of the management controllers and accounting staff involved.

Government. This led federal agencies come up with plans before the deadline of 30 September 1997. See www.whitehouse.gov/omb
Our analysis of higher education reforms is based on the concepts and methods of neo-institutionalism (DiMaggio and Powell, 1991). We proceed to identify different patterns of organizing, the most complete expression of which to date is the organizational archetype. Heir to the institutional (Hirsch and Lounsbury, 1997) and neo-institutional tradition, and consolidated theoretically by Greenwood and Hinings (1988, 1993, 1996), the archetype helps explain the phenomena of dissemination, adoption and stability of organizational forms in relation to their environment. According to these authors, the stability of structural patterns which can be observed at sector level is determined by the limited variability of available archetypes, justified and reinforced by the rules of the particular sector. In turn, change is understood as the abandonment by organizations of one set of configurations and archetypes in favour of an alternative set.

This reading has many advantages. First, organizational archetypes allow us to describe complex organizations without excessive reductions or simplifications. According to the neo-institutionalists, institutions tend to adopt patterns of organizing that are typical of their specific sectors of activity, i.e. a coherent set of structural elements (control, differentiation, integration) and systems (“pilotage”, HR management, forms of decision-making, information systems). These elements, combined in various ways, give rise to coherent patterns or archetypes of organizing.

This approach also provides satisfactory explanations of the stability and change of archetypes via the underlying interpretative patterns. These sets of values, beliefs or ideologies are embodied in, and serve to legitimate, players’ roles and practices. In this way we avoid the at times monolithic vision of the analysis of organizational cultures. Interpretative patterns do not have to be shared by all players in order to dominate the structure of an organization. For an organization to be stable and functional, it is sufficient that a dominant coalition adopt these schemes – or that its members be indifferent. Conversely, disengagement from traditional ideas, the reinterpretation of these ideas and ideological conflicts between factions are crucial to change. Hence the importance, in understanding institutional change, of the representations, communication flows and commitment patterns of the various players.

1.1. Starting point: the university as a Heteronomous Professional Bureaucracy (HPB)

Until the 2000s, universities demonstrated a significant degree of operational and organizational homogeneity, despite differences in size, course offerings and geographic location. Study of regulatory and legislative texts, archives and reports shows that from 1968 onwards universities have structured themselves as heteronomous professional bureaucracies (Table 1) and that this archetype has been little questioned despite technological (computerization), sociological (consumerist temptation of users) or legislative pressure (1984 Savary Act, Décret 94-93, see below ...).5

Professional bureaucracy has dominated because of the professions involved and the very purposes of universities. The freedoms and the expertise of teachers-researchers call for a type of management in which power is decentralized, control is exercised by peers and management authority exists only as complementary to professional authority (Mintzberg, 1981). Centrifugal tendencies of this archetype are accentuated by the heteronomy6 of universities (Greenwood and Hininger, 1993). Faced with the increasing number of students after May 68, the Faure Act of 12 November 1968 created multi-disciplinary universities, imposing these as the standard unit for the administration of public expenditure and for ensuring the continuity of public service. These institutions were made up of powerful faculties, with customs and modus operandi varying from one discipline to another and nostalgic of their former independence.

Structurally, the heteronomous professional bureaucracy archetype (HPB) is dominated by an at once faculty-dominated and bureaucratic management. Sharp dividing lines exist both between disciplines and between academic professionals and administrative and service staffs. Information systems and

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5 For a more detailed analysis, see Fouchet and Turc (2006a).
6 heteronomous < Greek hetero (other) and nomos (law, custom)
management control are insufficiently developed to ensure transparency and monitoring of the activities of various units. *A fortiori*, coordination and management of these institutions is weakened by the power of the faculties and clan-type professional controls (Organizational Design, Table 1).

These structures are supported and legitimated by shared beliefs about the purposes of the university, its governance, its performance and organization (interpretative pattern, Table 1). Their bureaucratic character reflects a hierarchical vision of the functioning of the state. The university is seen as an extension of central government, tasked with implementing national higher education and research policies and defending the republican values of public service throughout the country. The interventionism of the ministry is accepted in the same way as that of the profession and its disciplines (the French National Council of Universities is organized by sections), to the detriment of collective strategies. The upshot is a strong dichotomy between functions and areas of responsibility. On the one hand, the university is confined to the functions of logistics and stewardship. The presidents act *primus inter pares*, as mediators of internal conflicts, shunning directive interventions and serving as representatives of their peers to the outside world. The university board of directors (*conseil d’administration*), a body bringing together academics and the central administrative departments, practices non-decision, when it is not working in recording studio mode. On the other hand, autonomy and professional judgment dominate the way faculties operate. Each university feels itself to be the depository of a service mission, and granted a high degree of autonomy with certain attributes of the liberal professions. With governance players drawn from the teacher-researcher corps, the management and administration culture is weak, the only rules being the simple and general ones involved in consuming the funding appropriations and managing any outstanding balances. This action approach is based on a resource-focused vision of performance, according to which the allocations of funds by central government are optimal and the university and its faculties fulfil their service missions by fully consuming them.

<table>
<thead>
<tr>
<th>Interpretative pattern</th>
<th>Local government</th>
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<tbody>
<tr>
<td>Beliefs related to the purposes and scope of action</td>
<td>Guarantor and manager of public higher education inside its territory</td>
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<td></td>
<td>Bearing the symbolic values of the Republic: free access to education, equal opportunity, non-confessional, social integration, public service provided free of charge</td>
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<td>Rejection of a merchant approach</td>
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<th>Governance</th>
<th>Varying degrees of institutional autonomy</th>
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<tr>
<td>Inexistent or weak collective strategy</td>
<td>Ministry has a strong presence through constraining regulations, incentives and control of critical resources.</td>
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<tr>
<td>Very influential academic profession and faculties</td>
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<tr>
<th>Principles of internal organization and self-evaluation</th>
<th>Dichotomy between the administrative and logistic world (institution) and the professional world (faculties)</th>
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<tbody>
<tr>
<td>Public service function accomplished by the full consumption of resources (importance of monitoring funding appropriations and remaining balances)</td>
<td></td>
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<tr>
<td>A weak management culture</td>
<td>Professional practice defined by the judgement of peers within each discipline</td>
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<tr>
<th>Organizational design</th>
<th>Strategic management and decision-making systems</th>
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<tr>
<td>Strategic direction</td>
<td>Emergent or reactive strategy, administration</td>
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<td>Decision analysis</td>
<td>Absence of objective vision</td>
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<tr>
<td></td>
<td>Incremental decision-making, in a complex, politicized system</td>
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<tr>
<td>Decision-making interaction</td>
<td>Time horizon of objectives conditioned by the annual budgeting</td>
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<tr>
<td>Information and integration systems</td>
<td>Little developed, automated information systems</td>
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<td></td>
<td>No performance and follow-up indicators</td>
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<td></td>
<td>Budget-based accounting</td>
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<tr>
<th>Transparency</th>
<th>No analytic accounting</th>
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<tr>
<td></td>
<td>No use of depreciation or provisions</td>
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<tr>
<td></td>
<td>Commitment accounting rarely used</td>
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<tr>
<th>HRM systems</th>
<th>Recruitment, career management, incentives</th>
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<tr>
<td>Recruitment, promotion and rewards dependent on professional qualifications</td>
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<tr>
<td>Type of control</td>
<td>Clan</td>
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<td>Structures</td>
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</table>
| Operating control | Strong decentralization  
administrative hierarchy and professional autonomy |
| Differentiation | Strong, by professional groups (disciplines) |
| Integration    | Poorly developed information systems  
inadequate operation of cross-disciplinary, multi-functional teams |

Table 1: French universities as heteronomous professional bureaucracies

The grip of the HPB archetype on French universities has shown itself over the years despite repeated half-hearted attempts at change. In a sector littered with failed or incomplete reforms, our analysis draws on the neo-institutional approach, which overcomes the simplistic approaches to change by replacements or adjustments of archetypes. Greenwood and Hinings (1988) have shown that one can identify with precision trajectories that are incomplete (insufficiently anchored new archetype), oscillating, abandoned, or unresolved (at the end of the process, the organization has to come to terms with an irreconcilable mixture of organizational ideas). Cooper et al. (1996) suggest that certain changes work through a process of sedimentation, gradual erosion and movements that allow different archetypes to express themselves simultaneously in the life of an organization.

The following section describes the main reforms that have shaped the world of higher education in France. We quickly recall their effects on university institutions and refer the reader to Fouchet and Turc (2006a) for a more detailed analysis.

I.2 The quest for autonomy and accountability of institutions: from the Faure Act (1968) to the LMD reforms

The Faure Act of November 1968 is seen as marking a break-point in the institutional framework of higher education by introducing the principle of participation of all university players in the management of their institutions and by promoting inter-disciplinarity. From then on we talk of universities as ‘teaching and research units’ (Unités d’enseignement et de recherche – UER), even where UERs 'straddle' two universities.

The repeated shortcomings in the financial management of universities, and the lack of effectiveness and efficiency of public higher education led the government in time to seek stronger institutional accountability. By setting up the ‘public higher education department’, the Savary Act of January 1984 ratified the abandonment of direct hierarchic links with the ministry in favour of autonomy within a tutelary relationship. Institutions now have the legal capacity to oppose the decisions of the tutelary authority. The reform introduces in fact a dialectical movement between centralization and decentralization. Decentralization, because from now on presidents are elected by their peers (rather than appointed by the ministry). With three governing boards (administrative, scientific, studies and university life), they have control of the means of education, they can restructure their training provision and are encouraged to develop education and research policies. Centralization also because it is now planned to organize direct reporting’ at ministerial level so as to facilitate budgetary coherence at the national level of research and teaching.

With a view to renovating budgetary and financial management, décret 93 of 1994 seeks to foster better management through the introduction into universities of management budgets, to ensure the use of commitment and analytic accounting, and to enforce good principles like the separation of financial years. It coincides with the nation-wide distribution to universities of functional software packages: HARPÈGE (personnel management), Apogee (education), Nabuco (budgetary and its.

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7 For a more detailed account we refer to Musselin (2001), Musselin and Mignot-Gérard (2003) and Darréon (2003)

8 The principle is clearly set out in the Law of 26 January 1984, article 20 of which states that “public institutions of a scientific, cultural and professional nature are national higher education and research institutions having legal personality and teaching, scientific, administrative and financial autonomy”.
accounting management). The Report of the Modernization Agency (Dizambourg, 1997) comes to the opinion that that, at national level, this décret has had mixed results at best, with only those institutions with an already-existing budget culture having truly taken advantage of the new software. Indeed, in many universities it was not implemented until the early 2000s, and then only partially.

The trend towards decentralization was strengthened in 1988 with the introduction of institutional contracts (contrats d’établissement). Supported by the Act of 29 July 1982 on plan contracts (contrat de plan), and by the autonomy that universities gained in 1984, these multi-annual contracts now bind each university to the Ministry of Higher Education. These contracts involve commitments from both sides on one-off projects like multimedia equipment and training or improving student reception facilities. The university becomes a key interlocutor with the ‘sovereign’ ministry as it ceases to receive an annual non-debatable, pre-assigned subsidy, and instead receives negotiated complementary budget appropriations spread over four years. In return it is obliged to take a long-term view and to make explicit choices as to its modus operandi and its future. In this way the contract also has the effect of transferring part of the decision-making responsibility to the university level.

At national level, the overall success of contractual policies has been a mitigated one. The contractual arrangement has lost its sharp edge. Ministry and universities share responsibility for never having come up with reliable indicators and assessment processes. In their absence, contracts are extended on the basis of items of progress and the general observation that universities are developing in the right direction. The need for shared leadership within institutions is little felt given the relatively non-conflictual nature of the subjects concerned (building construction, safety, documentation, multimedia or foreign students). Faculties are not required to make common and concurrent choices, and institutions settle down into a policy of consensus-based development. Internally, rationalization efforts are supported by the presidents, their teams and central department members, but are often strongly criticized by other actors (Musselin, 2001).

The need to overhaul institutions’ educational offering within the European framework coincided in 2000 with the reformulation of a number of university values and functions. The LMD10 reform would lead to an initial questioning of the French model.11 Professionalization and preparation for professional life are becoming major issues, placing higher priority on the relationship with the student. The same concern for professionalization is leading to the regulation of student inflows as a function of the constraints of the labour market and the scarcity of educational facilities. A logic of attractiveness and competition is being adapted at national and international levels, based on a deliberate strategy: cross-disciplinary scientific clusters (materials sciences, life sciences) are coming into being, whereas the national authorities would have liked more national uniformity. The structuring of educational offerings is now steered by common rules for the examination and analysis of educational offerings. However, this strengthening of central management is not accompanied by a significant evolution of forms of organization.

However, if these successive changes have strengthened the management of the institutions and, in some cases, their management capacities, they have not permanently removed the structuring features of ‘heteronomous professional bureaucracy’ from the way universities operate.

I.3. LOLF and its reception in the pilot institutions: the case of university P

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9 This law is available on the government site http://www.legifrance.gouv.fr
10 This is the so-called Licence-Master’s-Doctorate (LMD) Reform. In other European countries, its is generally referred to as the Bologna reform by reference to the eponymous declaration by 29 countries in the ministerial conference on the reform of higher education in Europe held in June 1999 and celebrating at the same time the 800th anniversary of Europe's oldest university.
11 Décret no 2002-482 of 8 April 2002 applying to the French higher education system the construction of the European Higher Education Area
To increase LOLF’s chances, Prime Minister Jean-Pierre Raffarin decided to introduce from 2004 onwards a series of experiments in all public sectors, including those of National Education. University P was one of four higher education institutions in this experiment.12

Given its essentially financial-accounting nature, this reform did not immediately attract the attention of personnel and the teaching and research community. The aim is to achieve a centralized management of the universities, which are required to reorganize around the global budget, and to take on board certain administrative mechanisms like management budgets, more sophisticated accounting, and the certification of the university’s accounts.

However, the aims of LOLF proved out of step with the way the institution is currently organized. Even restricting the analysis to its most visible action, the implementation of the management budget called for a considerable number of organizational changes. Thus:
- the management budget needs to reflect collective performance in a decentralized organization. P University is a so-called ‘faculty’ university, whose component parts see themselves and operate as semi-autonomous entities within the institution;
- the management budget is a cross-faculty tool, intended to propagate uniform procedures in what are heterogeneous faculties, each governed according to the specificities of its particular discipline;
- the management budget embodies a logic of results, as opposed to the logic of means that confuses performance and consumption of means;
- producing and operating a management budget calls for close collaboration between decision-makers (professionals and governance players) and support functions (administrative), two very separate categories in a professional bureaucracy;
- the management budget emphasizes the difference between budgeting and accounting – but the fact is that higher education still continues to operate according to the standards of budget accounting.

While the internal deployment of LOLF quickly led players to realize that the consequences were much more far-reaching than initially imagined, the process was not launched with a comprehensive communication plan. It can be said that, with the exception of certain one-off events, communication on LOLF has become absorbed into the institution’s general patterns of interaction. It is in this gap between the scale of the reform and its communication that the understanding of LOLF across the university is driven by the memory of past reforms.

I.3.1 The construction of meaning around the LOLF experiment

The construction of meaning around reform projects is an essential part of any process of change. Players constantly try to make sense of these initiatives and of the organizational alternatives that are proposed to them, to understand the logic of the changes, and see how these events will affect their own interests in the structure. The meaning built in this way directly influences their motivation and, hence, the efforts they are willing to make to adopt and implement this change (Heracleous and Barrett, 2001). It directly affects their assessment of the feasibility and urgency of the process (Dutton and Jackson 1987).

Classically, this construction of meaning involves transitive mechanisms (‘sensegiving’) more than an unframed construction of meaning (Gioia and Chittipedi 1991). It calls for plans and communication tools by the leaders (presentation days, meetings, internal newsletters, etc.) and their symbolic actions (the example given by the leaders, adopting a new language, new arguments, the choice of scapegoats for the rejection of the reform, its failure and sanctions).

The fact is that there was relatively little such cross-departmental, mass communication in the case of University P (LOLF day, little interaction, internal journal that not everyone reads, etc.). The

12 For further details, see Fouchet and Turc (2006b, 2007).
construction of meaning around this initiative took the form rather of personal assessments, the rationalization of events, or co-construction of meaning in face-to-face communication. In this process, the history of previous changes became for the players an essential element of the putting into perspective of the changes proposed by LOLF, of the implementation process, of its adaptation to the university context and of its impact on the interests and roles of the players concerned.

1.3.2. Reading by the players

By its status as a framework law (loi organique) and the link it establishes between the state budget and the operation of public organizations, LOLF is an opportunity to reframe and align previous reforms and laws. The legitimacy gained in this way enables it to increase its acceptance by the players concerned (DiMaggio and Powell, 1991):

“So if we compare the laws of 1968), 1984 and LOLF as it affects universities ... What globally does it add? [...] What is does is to formalize and structure the entire French public system.” (E8)

“The link between what has been done before and LOLF, who fell onto us from above in May 2004, is precisely this decree 94, which concerned only universities. What LOLF adds is to place this system within a coherent State systems. This brings legitimacy ... and also constraints.” (E5)

LOLF reform is also understood as an opportunity to consolidate the contributions of previous reforms. Following on the LMD reform, it makes it possible to better restructure and manage training offerings, student pathways and the required resources:

“LOLF brings greater transparency and visibility: it's all the difference between the shopping basket and the tidily-arranged cupboard [...] there is a link between LOLF and educational objectives - it makes visible the costs each year. It is much more difficult to sustain this kind of situation now [obsolete degrees that generate additional costs].”(E6)

"Here we have the link [of the LMD] with LOLF. It is a complete reading, it is perfectly clear where the student is, we know the costs of the education provision, of the different pathways.”(E9)

LOLF also extends the logic of accountability and performance in contracting (1984 Savary Act) via the management budget:

"It's very logical in fact. If you say you're looking for performance, you are also in a context of decentralization. The budget is at the heart of the entire system if you do it correctly. You effectively have the performance and cost reduction side if you view it as a contract ... you can delegate.”(E2)

"It’s here that LOLF has proved a great help by enabling us to structure the whole. Since we are asked [for the contracts] for a whole package of indicators. For this reason we structured them [according to LOLF] and then tried to reintegrate them into the ministry and university indicators.” (E93).

Consequently LOLF also strengthens the strategic lines that have emerged with the previous changes, and at each phase of the growth in university autonomy. On the one hand, the management budget creates an awareness of the importance of the internationalization policy for the university through the costs generated (E4). On the other hand, cross-disciplinarity initiatives are formalized by the series of reforms of the past 15 years:

“The multi-disciplinarity I had applied with [...] and [...] when in 96 the three of us created the IUP in Management [...]. Because it rests on the three feet of Management-Economics-Law. [...] So it already existed. Simply, the LMD allowed me to go further. It’s linked to the LMD, it’s linked to LOLF, and it’s linked to the reform of the university structures.” (E7)

The continuity of the reforms also contributes to players’ growing sense of the coherence of the change, to enhancing its credibility and leading people to react by exclaiming ‘that makes sense’, and not with surprise or anxiety (Lissack and Roos, 2001).

"How did LOLF fall in the middle of this ferment? First it fell just at the right time. [...]. For me, today, by amending in a truly revolutionary way the structure of the budget bill, we are going to have to answer for everything we have said until now. [...] In fact LOLF picks up all the themes that are already in this decree by incorporating it into a national, inter-ministerial system, which is that of the finance act. But in fact, the reference principles –, autonomy, accountability, the budgetary and non-budgetary resources as a whole – everything was already in the 94 décret and the 94 arrêté. We were just
beginning to emerge from the turmoil I just mentioned when we were told we had to go further and faster with LOLF. I still see it today as an element of acceleration.” (E5).
The 94 décret is 10 years old. That said, it was brought up to date with LOLF. It is truly LOLF that placed the management budget back on stage.” (E1)

In fine, this steadily increasing understanding has become part of the process of sedimentation and of erosion of the professional bureaucracy initiated by the LMD reform. Cooper et al. (1996, 634) state that interpretative schemes are subject to interpretation and change: "There is no absolute and stable interpretation of ideas [and core values] ... What an outside observer apprehends as a complex of systems and structures can be understood differently by those directly involved.” Thus, in the French university system, tuition fees have been kept continuously very low, in order to preserve the core values of citizen access to public service and of equal opportunity, with the corollary of an absence of selection on entry. However, this interpretation specific to the initial HPB archetype has been increasingly challenged. The fact is that French higher education also includes large institutions (Grandes Ecoles) which, given their initial vocation of training elites, enjoy generous public funding and the right to organize strict entry selection. This has the effect of weakening universities’ social elevator role which is seen increasingly as a structural iniquity of the system. The LMD reform with its concern for the quality and professionalization of teaching and for the employability of students has justified the dissemination in universities of the system of supplementary registration fees. This professionalization is enabling us to get round the selection taboo, under the guise of regulating flows in terms of ‘market constraints’ or the capacity of educational facilities (Darréon, 2003). Public service values continue to be served to the extent that the social demand for university degrees that are effective in terms of employability and social development is satisfied.

A similar sedimentation as regards the territorial mission of the university is produced by the contracting and LMD reforms. The mission of local administration of a national service, and the rejection of education as a marketable commodity have been replaced once and for all by a logic of attractiveness, or of national and international competition within the sector. In this way, even though “the academic community at the national level does not like competition” and “in a group like the Conference of University Presidents [these are] words that must be spoken with great caution” (E4), competition exists in terms of resources (contracts), as much as students and the quality of service. Within the university, competition serves today as an argument in strategic decisions: “competition is something that exists f... and you need to be the best”. (E4) Respect for the public service aspect, particularly at the territorial level, now comes down to being attractive and providing quality services. The shift in meaning already sedimented by the LMD reform will strengthen the logic of performance brought in by LOLF.

After analyzing the construction of the meaning of the reform in a pilot university, we now go on to consider its impact _ex post_ at the level of management tools in two other universities.

II. The post-reform period in terms of tools and indicators

In this second part, the effects of LOLF are analysed in terms of information systems and of the tools introduced by universities, both local university management tools and tools like the four-year contract introduced by the previous reforms of the sector. Based on a survey of information systems (protagonists, tools, indicators) at two universities, University X and University Y, it points to a reorganization of the interactions between bodies responsible for higher education, a reorganization which is reflected also in the university, particularly in its relation to its component parts. At the heart of this process, we observe a recentring on the four-year contract but ‘lolf-ized’ and an impact on internal management tools, though still highly dependent on local initiatives and internal capacities.

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13 These supplementary fees have recently been scrapped in most French universities following protests from French student unions.
The reference framework for this second part builds on neo-institutionalism, bringing together two orientations (Hininger, Greenwood, 1996), one centred on the explanation of stability and isomorphisms (DiMaggio, Powell, 1991) and the other through both a return to sources on informal structures (Selznick, 1949) and advances in the understanding of change and its trajectories. Beyond an apparent contradiction, these contributions are complementary. Our reading is based in particular on research which has sought to understand the repetition of reforms in certain sectors, producing not radical change but on the contrary certain forms of stability. Thus Brunsson and Sahlin-Andersson (2000) analyse public reforms in various sectors including those relating to the university as attempts to build a complete organization14 in terms of identity, hierarchy and rationality, while adding that a long tradition of organizational research shows that the practice of large organizations distances itself from this ideal vision and demonstrates on the contrary many deviations, which in their view constitutes an argument for further reform to align the organization.15

It is indeed possible to consider the various reforms of the university sector prior to LOLF in this perspective. In order to move beyond the two ideal types current in the public sector (Brunsson, Sahlin-Andersson, 2000), that of the agent, i.e. an entity with low identity and resources controlled at a higher level, and that of the arena, namely an entity legitimated entirely by outside interests and values (here we see the analogy with the heteronomous professional bureaucracy), the organization must constitute itself as a player and build an identity, a hierarchy and a rationality based on objectives and the measurement of results. Becoming an organization means, for an university, first of all having clear frontiers, particularly vis-à-vis its tutelary authority. This was the basis of the 1988 Act on institutional contracts. It also needs to develop a system of internal control of its activities. This is the motivation of décret 93 of 1994. It should also be remembered that these same reforms established or maintained contradictory forms of centralization, in particular, maintaining the dialogue between ministry and the profession or again direct communication via structuring software. Before the LOLF reform, the construction of the university as organization-player was fragmented and incomplete. Its identity remained blurred by these overarching ministry-profession dialogues. The organizational hierarchy was impregnated with the model of the heteronomous professional bureaucracy, and finally the construction of its rationality was patchy, with the four-year contracts applying only to isolated projects and not the entire activity.

What is the nature of LOLF? A priori as an instrument for managing public action one could see in it a danger of pushing responsibility upwards to those in charge of the programmes at ministerial level. It is essential to understand, however, that first and foremost it is a framework law which reorganizes funding legislation, i.e. which defines the mechanisms for the allocation of public spending, in short which says how and by what logic funding is to be allocated. It also is a law of a different kind from the reforms of the higher education sector in that it redefines the mechanisms for allocating funding among the individual higher education institutions.

At the university grass roots level, the LOLF experimentation phase corresponds to a confrontation of the players in the gap that exists between the rationality of the LOLF reform and the ‘chaos’ or complex reality resulting from previous compromises: the four-year contract exists but is limited in scope, the management budget exists because it has to be done, and co-exists alongside the university budget, etc. Closer analysis of the construction of the rationality of the university as organization-player - an exercise which is difficult to achieve in practice and therefore likely to give rise to many ‘returns to the drawing-board’ – requires us to examine the question of tools. Thus the principle of the single budget in fact increases the university’s hold on its project, and the interfacing with previous systems, for example with the four-year contract, is likely to change its impact.

The instrumentation of the reforms is an essential angle of view, on condition that one does not consider instrumentation as self-evident, i.e. moving beyond a simplistic view that considers the tool

14 Without initiating here any discussion on what leads players to give increasing importance to the concept of organization in the public world.
15 This statement is not a normative viewpoint justifying the phenomenon, but rather explanatory.
as neutral and disembodied. For Lascoumes and Le Gales (2007), instrumentation is a major issue of public policies, revelatory of the relationship between ruler and ruled. It is precisely this that interests us in LOLF. The tools defined for the moment in the broad sense are not neutral and they produce effects independently of the assigned objectives for which they were created. To clarify the issue, we will start from their definition of the tool as a micro-disposal in the context of a technique, itself at the service of an instrument. In this typology, LOLF is the budgetary instrument by which the university is supposed both to contribute towards a more legible higher education policy and to complete its capacity for autonomy. These reforms of the higher education sector are equally instruments. The techniques are practical measures that have been introduced: the requirement for four-year contracts in the relationship with the ministry, management budget, etc. ... The tools are in turn the micro-organizational measures introduced at the level of the organization in question: the 2008-2012 four-year contract, the 2009 management budget, the quarterly or annual scorecard and so on.

In this way an analysis of the tools in the strict sense comes down to asking how far LOLF influences locally existing tools, both those created at the initiative of the management team and those deriving from previous reforms of the sector. Accessorily, it is also necessary to define the existing links between the ‘reporting’ obligations established by LOLF and other tools. To understand these connections, the fieldwork in this second part consisted of meeting with the financial management of the two universities X and Y.

The methodology for constructing the series of interviews had a double focus:
- on the tools: the objective being to understand the evolution of institutions’ management capacities (strategic management, operational management, management tools, information systems, software) in response to changes in their sector, and in particular identifying the link between the tools actually used and the at times mandatorily imposed structuring systems: use of common software, existence of standardized university-wide information systems.
- on the indicators: the concern was to understand, via indicators, the links between the various tools (Annual Performance Report/ Annual Performance Programme, four-year contracts, budget management, the university budget and its component parts) and to capture the effect of LOLF, that is: how is LOLF changing the pattern of interactions within the sector, between the Ministry, universities and faculties, and how the tools inter-react with one another? 16

II.1 LOLF, a legislative constraint which reorganizes the interactions between the three sets of higher education players: ministry, universities and the academic profession

As stated previously, universities’ autonomy has been steadily eroded in recent decades by centralized management from the ministry via numerous interventions in the sector that have introduced direct dialogue between external bodies (ministries, governmental agencies (CNRS, INSERM, AMUE), the academic profession (Conseil National des Universités – CNU) and internal university bodies (central departments, faculties, laboratories). This ‘porosity’ of the borders of institutions, on top of which comes the ministry’s role as principal funder and the freedoms of an academic profession well represented at the national level, has enabled the ministry to retain control of most of the levers of university management. In this system, resources are allocated unilaterally (via the Global Operating Appropriation – Dotation Globale de Fonctionnement) by the ministry according to predefined criteria, based primarily on the number of students and size of the institutions in square metres (using the SAN REMO algorithm). To this appropriation is added other funding, including universities’ own resources

16 At this level, the direction of the interview focused on Programme 150 ‘Higher education and university research’, with its 13 objectives and 23 indicators. The questions were directed in particular at the relations between the ‘LOLF’ tables of indicators, the indicators contained in the four-year contracts negotiated by the universities and the universities’ own budgets. From this list were excluded those indicators which had been visibly put together by the DGES (Directorate-General for Higher Education, National Education) or by the DEPP (Directorate for Evaluation, Forward Planning and Performance, National Education) or by international organizations like the OECD.
and grants. Funds obtained under the four-year contracts remain marginal. Institutions’ accounting management is monitored by a representative of the Treasury (the accountant).

Similarly, deans and directors of components interact directly with the ministry, research laboratories set their policy in negotiations with outside agencies or their accrediting ministry, and human resources are managed in direct dialogue between the ministry, the component parts, and the academic profession (CNU, Specialist Commissions). Finally, the Ministry obtains the information it needs for managing the national system by means of ‘requests’ which are directly relayed internally to the universities’ administrative departments, not forgetting the distribution at national level of informatics tools with their uniformizing effects.

If at first glance LOLF looks like just one more administrative reform, it also has the effect of visibly reorganizing these interactions within the sector. Often condemned for its ‘bureaucratic temptations’ – first among them being its emphasis on indicators, assessment and the reaffirmation of formal management controls – it uses budgetary constraint as a means for strengthening the institutions’ place in these dialogues. Its most serious consequences fall in three areas:
- it reconfigures the four-year contract, making it fact the central locus of dialogue and negotiation in higher education and research,
- it recasts the financing of the sector by introducing the global institutional budget,
- it gives institutions the wherewithal to modernize the way they operate, in particular in accounting and human resources management.

The four-year contract is in fact the main point of entry of these changes. If the management dialogue desired by LOLF is conceived as an exchange of resources (financial, local decision-making power) in return for responsibility for actions and targets (annual performance plans (PAPs) and annual performance reports (RAPs)), the choice has not been to introduce a management system a nihilo. The four-year contract, previously under-exploited, is placed back in the centre of the process. Whereas previous editions of the contracts turned it into additional funding for institutions’ ancillary projects, such as disseminating ICT, subject to very rare and partial mid-contract assessments, the four-year contract now covers all university functions. Externally, its negotiation gives the university all of its funding in a multi-annual vision. Internally, it often leads to the creation of institutional scorecards on an annual basis, differing from one ministerial action and component to another. In this way the management of higher education is understood by the players along the clearer lines of a ‘three-stage rocket’:

“The top stage is the national level of LOLF … with national indicators that are ultimately imposed at the national level, and are often communicated at national level by national bodies ...

The have an intermediate stage, consisting of the indicators of what we call the four-year contract, ... contractual policy which was reaffirmed by LOLF. This intermediate stage consists of a series of indicators and targets, which are obviously related ... which are proposed by the ministry but which are worked out at local level, this time by universities and communicated at local level...

Then there is the lowest level, if you like the base of the pyramid. Here we are really at universities’ internal level, where LOLF encourages us to develop contractual dialogue, management dialogue internally, and therefore encourages us to develop a policy with objectives and with associated indicators. And here it’s up to us in the university to build our own indicators.” (X1)

The four-year contract now absorbs all the disparate plans of the university: the licence degree teaching plans, other teaching and training, research, student life, etc.

“In the four-year contract ..., [there is] education, that is initial and continuous education, from the baccalaureate through to the licence degree, which means that 90% of it is the ‘plan licence’”. (X30)

“Before that we said to the university president, but what is your university’s scientific policy? .... it was non-existent ... often it was the laboratories that negotiated with the ministry. It was direct ... but the university’s scientific policy was very much at the margin.” (X21)

Very revealing of LOLF’s impact on the putting together of four-year plans is the experience of its initial negotiation between universities and the ministry. While some universities took liberties with

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17 … including the payment of teaching staff-researchers, which appears ‘off-the-books’
the model contract proposed by the tutelary authority, the responses reflect the ministry’s desire to examine all local initiatives based on predefined LOLF actions:

“There is indeed much to say about the four-year contract approach ... we were given a plan, presentation of the four-year contract ... desired by the DGES ... after we distanced ourselves from it as international positioning is not an action at all ... Internally, fleshing it out was left to the initiative of the university ... The document that was returned to us picked up our breakdown into Education, Library and Documentation, Research, Knowledge Dissemination and Museums, ... Real Estate, Programme Management and Leadership, and Student Life. But our demands in terms of ICT ... this does not appear. The international aspect is included in the action, in the Management section.” (Y10)

“Both sides are short of time. In particular at the Directorate General of Higher Education. I think ... that they were short of time, so by default they moved back to an attribution based on the destination LOLF, on the main directions of LOLF, in a de minimis approach ...” (Y21)

The LOLF is transforming the four-year contract into a relay for the national-level management of higher education. The indicators and objectives of the four-year contract are translated into main LOLF directions. The financial incentive plays an important role here.

“The indicators of the four-year contract can be derived from the LOLF indicators. In our jargon we call this the LOLF-ization of the four-year contract indicators ...” (X3)

“Everyone is keen to present a well-constructed four-year contract, and thus communicate their indicators. Because afterwards ... we will sit down and discuss, and we need resources.” (X17)

Contractualisation also contributes to redefining and giving reliability the ambitions of LOLF programme 150.

“The introduction of LOLF has produced a slew of indicators and targets ... I actually think the DGES was hard pressed itself to follow them ... and the universities even more so... But even so an effort was made in the contracting process to reduce the number of indicators and ... somewhat the objective setting ... the project aspect ... is more reasonable [and] also individualized by the university.” (Y13)

This reorganization of the system of interactions within the sector is based on the recasting of the mechanisms for calculating and allocating university funding, particularly the calculation of the national allocation of resources by the SAN REMO algorithm. LOLF now calls for a consolidated global budget for each university, which is then discussed as part of building the four-year plan.

“We're really in a logic of responsibilization vis-à-vis an appropriation negotiated on the basis of objectives.” (X25)

“We will soon be funded by the four-year contract only.... There will be nothing else. Well, apart from our own resources ... It is both freedom and responsibility. There you have it. The upshot is that were are more independent, freer, but we enter into contractual dialogue.” (May 2008, X24)

With the advent of institutional projects (projet d’institution) into budget negotiations, the former distribution criteria disappear and, with them, the reference framework for internal redistribution.

“The DGF (Directorate General for Finance) bows out of the picture. They are now without a distribution system because ... for 3 years and some ... we no longer have a detailed budget from the DGF.” (X17)

“The ministry gives us ‘scientific research’... and that’s it ... Previously it was detailed by laboratory and by action. We appear to have done with that. The university's laboratories are all lumped together.” (X21)

This disappearance is initially a source of confusion. Thereafter, the university’s decision-making role is transposed into deeds, with no further questioning of the internal replication of SAN REMO as an allocation mechanism. This requires the university to collectively reinvent its internal budget dialogue.

“The new contract: it’s first time we’ve had a single line for research. And after that it’s up to the Scientific Council to organize ... and this is the first time. And this is what university autonomy comes down to.” (X21)

“Once the vice president has done the allocation work ... because there we still have to allocate, don’t we? There is an awful lot of allocation work to be done here.” (X22)

University stakeholders are visibly aware that the new system does not eliminate the system of ministerial requests, nor does it yet allow for a negotiation based entirely on the four-year project.

“Whereas we would have liked to have had ... an answer on the relevance of our project and a dialogue on each item in this light ... if you want about the negotiation ... we are in a logic of percentage increase compared with the former contract and all universities are talking more or less of an increase of between 15 and 20% ... one does wonder what place the actual pertinence of the project has in all this.” (Y21)
Even so, the process is triggering a reorganization of the financial dimension of universities’ central departments. Accounting systems are being upgraded to produce accounts giving a fair and true view, and more generally we are seeing a weakening of the many taboos of human resources management.

“The system ...is not perfect the first time. In 2006 we did not have top-notch national accounting ..., in 2007 it was better, in 2008 even better, and in 2010 it will be not far from something pretty good.

“For me, LOLF was the trigger for a lot of things. Speaking of the financial entry key, right now we are at the beginning ... But I’m speaking of the civil servants too. Look at what we are talking about, we are talking of civil servant salaries, the professional assessment of government agents ... The newly-released decree has just said that what we are going to talk about in professional performance interviews takes priority. These are ... incredible taboos...”(Y40)

II.2. LOLF together with the other mechanisms (four-year contract, management budget, analytic accounting and the mechanisms of the LRU Act) consolidates governance at institution level

LOLF consolidates the governance of higher education institutions by returning to, correcting or strengthening already existing provisions. Thus LOLF ‘puts back on its feet’ the four-year contract, that is it tackles a number of problems in the functioning of the four-year plan, including the problem of the breakdown of support functions, which have until now served to a certain degree as a ‘catch-all’ heading:

“There were some rather dicey areas ... it’s a fair bet that in the short term all the support functions will be broken down, and we will be discussing which professions to emphasize ... do we exist to do LMD or research? Managing ... means first identifying and then breaking down later ...” (X28)

“The coupling of support functions with the ... professional functions. And there you have it ... it’s a logic that is rapidly appearing in the institutions.” (Y5)

By taking as its basis the logic of the four-year contract, LOLF is permitting a total rethink of the resources allocated to the component parts. It is changing the framework of the internal dialogue in the budget conferences between university management and the component parts and is opening the way to defining a real institutional project:

“What we are asking the components parts to do is the hand in their 2009 budget preparation ...to present and explain their projects to us. There too we came back to the major themes of the four-year contract. In other words they need to express [their] project in conjunction with the operating data sheets of the four-year contract, which means doing into detail.”(Y11)

“It is interesting to see how the components have truly played the game here, and have spontaneously proposed themselves indications which we wanted to insert.” (M16)

“...The new contract is the first time we’ve had a single line for research ...And then it’s up to the Scientific Council to organize ... and that’s the first time. And that’s what we mean by university autonomy ...”(X21)

Similarly, by reaffirming principles already present in the 1994 décret, LOLF is helping to acclimatize a number of management tools: management budgets, analytic accounting. In so doing these tools are losing their strangeness and becoming self-evident:

“This is not a legal novelty ... it purpose becomes self-evident. That’s because LOLF has introduced objectives, set up a management dialogue with the ministry on the basis of precise indicators of objectives. Well, the institutions have to follow and then they will also realize the interest of this ... for their own needs.”(Y4-5)

“A tool like analytic accounting, which is a bit of a hot potato right now because people are talking about it like it was the most obvious thing in the world, and as a priority for gaining access to the new competences ... with the LRU Act, ... greater competences, but with analytic accounting as in the 94 décret ... it’s now arrived”(Y4)

The management budget potentially becomes a tool of governance by structuring internal dialogue in terms of communication, but also by organizing the internal management dialogue:

“It’s not always easy to communicate ... when you present a budget by nature. In fact it’s pretty difficult. The interest of the LOLF budget, the management budget, is to communicate in what I would call a more accessible way. ...We communicate better on financial matters, and when we communicate better, we make people better aware, we inform them better, and ultimately we also facilitate management dialogue.”(X26)
Finally LOLF, supported by the new LRU Act, promotes the use of global budgets, something that is visibly not general practice:

“\textit{At the time we didn’t yet have the LRU Act … they had not yet incorporated this global budget concept …}” (X3)

“I believe LRU makes provision for … a single document … Whereas here we have a management budget and a budget by nature… In other words two separate documents … in future we will have just one single document.” (X27)

In this way we are seeing a strengthening of the governance of the institution, putting it in a position to impose itself on its component parts. Management dialogue is not only strengthened but can lead to internal contracting:

“It’s at internal university level that LOLF is really encouraging us to develop contractual dialogue, an internal management dialogue, and is leading us to develop a policy with objectives and the associated indicators.”

“[The] autonomously managed centres … have their own appropriations.”

“[Here’s] a general policy document that was presented in a meeting … it is the working out of the project of the component part … with general directions …. and with a reminder of the objectives of our university’s four-year contract … on indicators precisely … Of the 10 [indicators] there are 5 that are proposed by the component part and 5 by the university’s governing body … the indicators that will measure the success in meeting certain objectives. And of course if the objectives are achieved, it here will be a bonus in the 2010 budget.” (Y30)

II.3. LOLF in the universities: internal management certainly impacted but still dependent on local initiatives and internal management capabilities

At the universities, the first issue is to understand to what degree information systems are impacted by the mechanisms that have been introduced (top-down) and how they in turn limit (bottom-up) the effectiveness of these tools as providers of reporting information.

Top-down, the translation occurs at the level of the LOLF management budget, which in one case is an integrated tool, and in another an indicative tool:

“The objectives pursued by the ‘destination’ nomenclature in LOLF … we speak of destinations because we transcribe this analytical grid … into our own financial analysis system, if you like, even though it’s not quite that, in any case we transcribe it in our finances … Operators are required to produce a management accounting system … which picks up these actions and sub-actions defined by the ministry.” (Y1)

“There is the management budget itself that is produced on an indicative basis … Each expense is allocated by the person passing the order … In this way we have initial education, continuing education, research, libraries, international relations, functions …” (X4-5)

Contractualisation is penetrating the institutions, in particular, as we have already seen, at the level of the dialogue between the university and its component parts. This fact is recognized in one of the universities in terms of management software:

“We will be distributing resources allocated to us in the contract policy … we have introduced management tools … not quite structuring, we call them ‘conventions’ … whenever you’re going to have resources under the four-year contract, you create what is called a simple agreement on the NABUCCO software … So you create a bubble which will make it possible to monitor this funding in real time … to monitor the expenditures .. of the responsibility centre ..”(Y9)

“… we have introduced a system … you see we have a digital workspace, and the management data that are available to all directors of the component parts and the administrative managers of the component parts … and not the managers of the responsibility centres.” (Y8)

Even if information systems are expanding and acquiring software able to handle different functions, these systems do not inter-communicate. This observation which is common to the two universities means that the strategic use of data at internal level is not automatically fed by these systems and is largely dependent on local political will:
"There are several series of products that have developed over time, there are those of the AMU [University Pooling Agency], there those of the La Rochelle consortium, with products which originally did not inter-communicate."

"The advantage is ... to benefit from the high-powered training system delivered by AMU and then to have a relatively consistent whole, although it is unfortunate that the AMU tools do not inter-communicate ... we do not have a centralized data warehouse that is exploited by each of the applications ... at the moment the only bridge that we have managed to build is between ASTRE, the software for managing overtime, payment of overtime and the payment of contract staff, and NABUCCO, where it generates separate accounting entries. So there is a financial connection. But that’s all...”

Another limitation to the top-down formatting, observed at both institutions, is that one should not underestimate the effects in the upward direction, such the limited consistency of bottom-up information for reasons related to the training of personnel and to the tools. Again, local political will remains the key:

“We are able to monitor the management budget by exporting data from the JEFYCO financial database. This allows us to look at the LOLF breakdown since January 2006 ... the problem, and it’s always the same, is: should I invest resources in training my staff to tell them exactly what they need to input and on what?”

"[On the LOLF management budget and imputation] everyone has put into it the resources they thought fit ... “

“Everyone traces back data and sometimes in different ways. Because they come from different tools, because they are processed differently, there is not just one way of getting pay into PAPAYE.”

Beyond the example of the upward flow of data, the conditioning of grass-roots data as it moves upwards is explained also by the way management tools are disseminated. In general these are deployed slowly, depending on local contexts and local capabilities: here a tradition of monitoring or a culture of measuring certain data, there the existence of integrated management capacities and a strong centre:

“Internally there was already a culture I would say in the management of logistics and heritage, a culture of very close monitoring of the data in table form. This had already existed for several years ...”

“We are an administrative team around the secretary-general, about seven of us ... it works, we see each other very regularly, we share our concerns ... we have a coordinated approach and we have more or less the same level of information all areas ... we all team up immediately on everything.”

“At University X, I think the most decisive thing is a strong and continuous movement, imposed from the governing body since 96. In 96 central departments were created under the impetus of a strong president .... our characteristic ... is the very strong political support we have, central departments that have been reorganized and ... that work well among themselves and with colleagues from the component parts. We have no financial in-fighting, internal feuding, power struggles, we are spared that.”

Some tools have also been easier to introduce, especially in the human resources and financial management areas, because required by law and by funding imperatives. The adoption of the others is clearly dependent on the local context: whether or not real leadership exists in the university-level bodies and the attitude of the staff, including their level of training and preparation:

“We have management budget monitoring ... by exporting data from the JEFYCO financial database, we have the LOLF breakdown since January 2006.”

“And we are free within the university to build our own indicators, which will allow us to monitor the achievement of the set goals with our own databases, information and working methods.”

A second question in respect to information systems is whether a real management system exists. This question can be asked at two levels. At the first level, that of the instrument, the question is: do scorecards exist, when and how are they used and how far are top-down systems fleshed out in response to internal needs? At the second level, that of the indicators, the question is: where do these indicators come from?
In respect of the first question as to the existence of an integrated tool, obvious disparities appear between institutions:

“.... They have data tables .... they have management of property and logistics, but not LOLF-ized scorecards ... they have put to one side tables relating to the four-year contract, they have management tables, data tables.” (X11)

“It’s a quarterly scorecard ... the quarterly version is presented to the governing body, that is the governing body meets every Tuesday, and every quarter there is a meeting of the governing body devoted to presentation of this document and to commentaries and analysis ... And an annual version of the scorecard which is given to the Board of Directors of the institution.” (Y8)

Certain monitoring elements are even perceived as non-existent at university level), or in any case disconnected from management practice and viewed essentially as a reporting system option:

“We have to do internal annual performance plans and reports. We have to do it ... it’s in the contract. There are objectives, there are results ... there are means of implementation, but ... no one does it anywhere, do they? I know no university that is producing an Annual Performance Report. None of this is yet in place to allow us to really talk performance.” (X4).

When it comes to scorecards, where an integrated management tool does exist, three quarters of the internal scorecard indicators are of local interest as against one quarter of LOLF interest, reflecting the reality of local level management:

"It is a quarter of the information contained in it which really translates specified indicators, as for the rest ... my impression that this translates information specific to what is of interest to us.” (Y34)

A third issue is the perception of the role scorecards can play in building an institutional policy. Scorecards are clearly perceived as vehicles of a political project. This produces an ambivalence, varying in degree from one institution to the next, between a positive perception of the institutional project and a much more negative representation of scorecards as potential instruments of bureaucratic wars. This means that in some cases, there exist whole silos of information that are not used because politically too sensitive. In addition, doubt can exist as to what indicators can achieve:

“Reporting that means that politically we must remain...draw up mailing lists, which table with which objectives or what data, whom do I send it to, which makes it a longer decision process” (X12)

“Ultimately universities will normally be able to develop a real policy ...But the problem is that there is no policy ... only indicators.” (X34)

Finally, the last element of the evolution of the management system, the professionalization of management, in particular the arrival of management controllers in the university, is marked by the organizational context (recent registration, more or less prevalent influence of the heteronomous professional bureaucracy model):

The management control function has been created in progressive stages ...in my opinion the real impulse came from the LOLF culture, with a desire to effectively stay on top of progress, and the need more than the desire to analyse performance in response to objectives, to monitor the indicators, to introduce them ... it’s a need that has emerged” (Y4).

“Management control here, as in any university, is an emerging function.” (P10)

“Strategic management control is intended to coordinate and manage the work on the four-year contract.. But after that there are internal realities that mean that, historically, certain data-producing departments are already highly autonomous.” (X35)

“The administrative managers in the component parts are becoming increasingly identified .... other than as the extended arm of the dean or director of the office of the dean. Before, we saw this person as a sort of super-secretary to the dean. Now we are beginning to see him or her as a real professional administrator with his or her own light to bring to bear and a policy to introduce.” (Y41)
III. Discussion of the results and conclusion

This third part discusses the possible extension of these results by integrating into the analysis the context created by the 2007 LRU Act. A number of results presented in the first two parts merit stepping back and looking at them with a certain detachment. In ethnographic type research, the researcher adopts a double position, that of active participant and that of observer. As Chittipedi and Gioia (1991) remind us, this double posture leads us to avoid seeking to check pre-established hypotheses but rather to accumulate a detailed description of reality and to establish a dialogue with an external expert.

In this case, the authors of this contribution have in the common the fact of being teachers and researchers in public management and to be or have been involved in university management. The way they look at the building of a university’s management capacity is therefore marked by this dual position. The fact of ‘insider’ or an ‘outsider’ status in relation to a particular organization has been exploited and has led to a scientific discussion from different vantage points. In addition, the analysis of the construction of the meaning of LOLF by the players during the experiment and the study of universities’ information and management systems in relation to this reform are both based on case studies (a pilot case for the experimentation, two cases for the management systems). It is therefore essential to reformulate the results in the form of proposals and to present items for discussion.

Proposal 1: The memory of the earlier waves of reform is a factor structuring players’ understanding of LOLF.

This is confirmed in both the university pilot and in the two other universities, in both the a priori construction of meaning in the experimentation phase, and in its subsequent translation into tools. Each time, LOLF is understood as a system that reframes previous instruments (we mean here the legislation governing the higher education sector), techniques (the four-year contract, management budget, single budget…) and tools (2008-2012 four-year contract, 2010 single budget…). This point is undisputed, as the finding has emerged in all interviews.

This having been said, the Pécresse Act or the LRU Act of 10 August 2007, with its new provisions for the higher education sector, provides that within five years all universities can apply to be given budgetary and human resource management autonomy and become owners of their own real estate. The act also modifies university governance by downsizing boards of directors and introducing members from outside the academic community, by no longer requiring presidents to be teacher-researchers, and by redefining recruitment arrangements for teacher-researchers.

How will LOLF go down in the collective university memory? In other words how should we envisage the effort of LOLF compared with that of the LRU? It is certainly premature to talk about the future effects of the 2007 LRU Act, given the opposition, and hence the uncertainties, that it is generating, in particular in terms of its implementing regulations. What is certain is not only that LOLF is inscribed in the collective memory, but also that it has a greater structuring effect because involving budget and technical mechanisms. Does this then mean that we have moved out of the oscillating trajectory (Greenwood, Hininger, 1988) and away from maintaining a culture of hope in a university organization that is in perpetual construction (Brunsson, 2006)? Nothing is certain.

Proposal 2: University governance is consolidated by the ‘LOLF-ized’ four-year contract.

It is this proposal that without doubt provided us with the most material for discussion. LOLF by its nature as a budget law necessarily reframes the relationship between rulers and ruled. A priori, its effects could have been twofold: ensuring an upward flow of information for the purpose of

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18 This law on University Freedoms and Responsibilities (Libertés et Responsabilités Universitaires - LRU) has called forth considerable reaction and opposition. See: Le Monde, 13 May 2008: ‘La loi sur l’autonomie des universités engendre des situations de blocage’.
management and so tending to push responsibility higher up the line, or on the other hand strengthening the system of university governance.

It was observed that LOLF is based on a previous technique, the four-year contract, which it reformulates in the general direction of LOLF. How should we interpret this ‘LOLF-ization’ of the four-year contract? The four-year contract apparently comes out strengthened and with it university governance, given that it now covers all activities, becoming the instrument of financial negotiations with, at the top, the ministerial authorities, at the bottom, with the component parts of the university. In both universities we analysed, the principle of negotiation with the component parts is becoming established with a translation of objectives along LOLF lines. This formatting does not mean the abandonment of the goals that some universities deemed fit to add in their four-year contracts. Rather it reinscribes them in a common format in a desire to improve consistency in the upflow of information.

Can we make a clear distinction between reforms that ‘frame’ and those that ‘repeat’? Short of imagining a backpedalling on the role and the extension of the four-year contract and on the principle of the single budget, LOLF looks set to have a long-term impact. As already mentioned, it is difficult to fully anticipate the effects of the 2007 LRU Act and any subsequent legislation. At a first analysis, the extended competences correspond to the recognition of a management capacity, which must necessarily be based on an institution project and on mastery of the allocation of resources and of monitoring tools.

Proposal 3: Universities’ management tools and management systems are impacted, but this impact is heavily dependent on local initiatives and on internal management systems.

This is probably the most easy result to generalize to the extent that the observation of the management systems was conducted in two universities with quite different profiles. We can therefore infer that this variability that is already present in two universities will be found a fortiori in a larger sample.

The fact that there are upward and not only downward effects is not surprising in itself, what we have here is simply the gap between the rationality of a reform and the ‘chaos’ resulting from the previous compromises made by the organization. It should be noted here – but this has been known for a long time – that upward effects undermine the reading can be made from above.

This being said, the impact of local conditions needs also to be discussed in the recent context of the LRU Act of 10 August 2007. Of 85 French universities, a first 20 have received extended competences as at 1 January 2009, which is the criterion for the subsequent passage to autonomy. It is also planned for all universities will have become so by 2012. The Long March of Universities (Musselin, 2001) towards autonomy is definitely long. Be this as it may, the differences in instrumentation at local level de facto determine the process of accession to autonomy, as the audit of universities conducted by the Ministry of Education in order to define this initial list was based on different criteria: the existence of good accounting management and of a human resources policy, a desire to establish an information system compatible with autonomy, restructuring already under way and the active involvement of administrative and senior management teams.

Bibliography


