

University Role in the Knowledge Society: Theoretical Insights

Irena Mačerinskienė¹,
Raimonda Minkutė²

Annotation

Globalization and knowledge society put certain pressure on universities. Knowledge, skills and competences constitute a vital positive feature in supporting economic growth and reducing social inequality in the world. This positive feature is often referred to as human capital; and it has been identified as one of key factors in combating high and persistent unemployment and the problems of low pay and poverty. As societies move into “knowledge-based” economies the importance of human capital becomes even more significant than ever.

The paper consists of two parts: the *first part* presents theoretical aspects of knowledge society, its reflection in a university; the *second part* deals with disclosing university’s role in the knowledge management.

Keywords: university, university’ role in a society, knowledge society

Introduction

Education systems are under constant pressure. First, they need to adapt to changes in society, which, as it becomes a learning society, has rising expectations for education. Second, the school as a “house of knowledge” is increasingly facing competition from other knowledge sources, including information and entertainment, and from enterprises that define themselves as knowledge producers and mediators.

According to Rinne and Koivula (2005), in most post-industrial countries, a new university paradigm in higher education policy began to appear at the latest in the 1980s. In a broad sense, the root of this change can be found in changes in the entire social context and in the atmosphere and ideologies of economic, social and educational policy.

Schools and other educational institutions thus face a double challenge for dealing with knowledge and learning. It is possible to speak about education, and those

with expertise in education, by defining a new role for schools in building and servicing a “knowledge-based society” or will that society marginalise them, as well as to analyse what functions schools can legitimately fulfil in the knowledge society that would not be better fulfilled by other actors and institutions. The second challenge is the need for high performance and the capacity of the school system to adapt to meet the challenges that will continue to arise. So it is significant to answer the following *scientific problematic questions*: Is it possible to harness research and other forms of knowledge more effectively in this sector? Is education rather an art so strongly rooted in practical experience that establishing a systematic, “scientific” knowledge base for its activities would be irrelevant? The aim of the article is to present theoretical insights on university’s role in the knowledge society

1. Knowledge society

At present most scientists analyse knowledge, skills and competences that constitute a vital positive feature in supporting economic growth and reducing social inequality in the world. Knowledge can be seen as spreading more widely in society than previously and as being accessible to everyone (Delanty, 2001, p. 5). If knowledge is seen as public good, its value is preserved, even though everyone has access to it. Fuller (2003), however, regards knowledge as social capital and positional good, and considers the concept of the knowledge society as depicting the manner in which social structure is being renewed. According to him, the knowledge society does not necessarily mean the increase of knowledge and its significance, but instead the increase in the value attached to educational degrees and to a great extent a needless collecting of educational qualifications. Burton-Jones (1999) assumes that the knowledge society needs an increasing number of highly educated information workers, but in fact it is also a question of defining the value of educational degrees.

As a result of changes in the surrounding context, fundamental changes have taken place in the production of knowledge. According to Ziman (2000), the post-academic science phase in the production of knowledge emerges. This phenomenon can be seen from the fact that concepts such as management, contract, regulation, accountability and employment have become part of the everyday vocabulary of science (Ziman, 2000, p. 82).

¹ Irena Mačerinskienė, Prof. dr. Department of Banking and Investments, Mykolas Romeris University, Ateities str. 20, LT-08303 Vilnius, Lithuania.

² Raimonda Minkute, assoc. prof. dr. Department of Educational Systems, Faculty of Social Sciences, Kaunas University of Technology, Donelaicio str. 20, LT – 44239, Kaunas, Lithuania

The knowledge society differs from a knowledge economy or a knowledge-based economy, which are slightly narrower concepts than the former. As Jacob (2000b) and Butera (2000) state, in a knowledge economy knowledge is seen the primary motor of economic growth, due to which education is considered an increasingly important economic resource (Meira Soares and Amaral, 1999). Great investments are made both in research and development as well as in information technology. However, according to Giroux (2003), criticism has been aimed at the fact that knowledge is valued as an economic investment, while it is not, for example, seen as being valuable for its effect on freedom, justice and democracy.

In the academic world, the growth in the economic significance of knowledge, society's firmer hold on the production of knowledge, the utilisation of academic work in industry, and the shift from national and international research systems to international and global research networks has led to changes (Jacob and Hellström, 2000, p. 1; Nowotny *et al.*, 2001, p. 82).

Etzkowitz *et al.* (2000) think about the development of closer cooperation between universities, the business environment and the state (the so-called triple helix model) in a knowledge-based economy when the potential of the universities as part of innovative systems is realised. Such cooperation and the growing significance of knowledge are also seen as explanations for the birth of the entrepreneurial paradigm in universities. Barnett (1994) defines the changing situation as a shift "from higher education in society to higher education of society". Earlier, knowledge was produced mainly within academic circles. It is possible to state that as the significance of knowledge grew and more and more people became interested in it, higher education moved to the core of society. But an increasing amount of knowledge is situated and produced also outside higher education.

It can be said that the monopoly status of the university has been shaken by the arrival of other educational and research institutions on the market (Fuller, 2003). The researcher thinks that the monolithic functions of universities are endangered when they have to compete with organisations that attempt to fulfil only one function, such as the research function in science parks or the teaching function in virtual courses. According to Delanty (2001, p. 152), universities will continue to be an essential part of knowledge production, but will by no means be the only users of knowledge. The World Bank report (2002) highlights new trends to be taken into account: the emergence of new providers of tertiary education in a borderless education environment; the transformation of modes of delivery and organisational patterns due to the information revolution; the increasing role of the market in tertiary education and the emergence of a global market for human capital.

Scott (2003) points out that by emphasising the threat posed to universities by market-driven education and the new knowledge producers, globalisation and the knowledge society are viewed too narrowly. To get a better picture of the situation we need to take into account self-directed change within the universities and new organisations founded by the universities. So the universities themselves are new players on the field of education founding new organisations. In addition, one can call into question whether the monopoly of universities ever existed. The allocation of certificates may have been a task permitted to universities only, but knowledge production has taken place in other areas of society, too.

2. University role

Universities do have a significant level of knowledge management activities or creating the knowledge society and it is important to recognise these, and use them as foundations for further development, rather than to invent a whole new paradigm. A series of unrelated knowledge based activities is not sufficient.

Rowley (2000) assumes that universities and their staff must recognise and respond to their changing role in a knowledge society. According to her, universities need to be consciously and explicitly managing the processes associated with the creation of their knowledge assets, and to recognise the value of their intellectual capital to their continuing role in society, and in a wider global marketplace for higher education. A university must embrace all staff and students in the university, and not simply be an additional burden or agenda set by senior management.

In order to assess the challenges that higher education institutions face in embedding knowledge management, it is possible to use Davenport's (1998) four types of knowledge management objectives as a lens through which to view higher education institutions: the creation and maintenance of knowledge repositories; improving knowledge access; enhancing knowledge environment; and, valuing knowledge. The role of universities can be seen as highly significant in the development of the know-how society, economic competitiveness and social unity. Universities should become more flexible by utilizing the expanding possibilities offered by the service market.

Some crises of the university took place and they are connected with a new model of thinking that has gained ground in all areas of society. The concepts of free market, privatisation, achievement orientation, efficiency, utilitarianism, competition, flexibility and free enterprise, new public management, decentralisation and the reduction of public funding are widespread phenomena connected with neo-liberalism (Deem, 2001; Giroux, 2003). In this "new political order" the role of the state has changed from one of provider of services to one of

regulator of supply. Social services have come to be seen as opportunities for profit, a competitive culture of achievement has been created, and citizens have been made into active consumers.

The basic premises in education policy, as well as in encouraging commercialism and cooperation with business life can increasingly be found in goals to improve national competitive ability. The higher education and research policy trends include the concentration of resources in a select few universities or departments, designation of a few key research domains, the encouragement of institutional competition by market principles, the application of user pays principle, emphasis on entrepreneurial activities and creation of knowledge transfer networks (Hazelkorn, 2004).

Higher education, i.e. a university in particular is expected to meet demands from science, innovation, and regional and labour policy. It should be noted that the extent to which the institutional fabric of higher education, i.e. the institutions as well as their departments and programmes, and the substance and processes of teaching and learning should reflect the future occupational roles and tasks of graduates. In this context, four dimensions tend to be addressed:

– To what extent should higher education focus on the enhancement of students' knowledge and possibly on the cultivation of their personality *without or with little explicit regard of their potential future professional roles and tasks*, or to what extent should preparation for the world of work be *targeted* for?

– Should higher education intend to *lay the foundation* for future occupational tasks, *or* should it pursue a *direct preparatory function*?

– Should study prepare students for a *wide range of occupations* and work tasks *or* should it be *highly specialized*?

– To what extent should higher education deliver the competences which seem to be *on demand* on the part of the employment system, or to what extent should higher education prepare the students to *become active agents of innovation* and change in the world of work?

It is obvious that these questions are not meant to indicate alternatives, but rather a spectrum of possible options.

Higher education is increasingly seen as the object of private investment, and not merely as part of the "common good" (Jacob and Hellström, 2000). There is no need to longer talk about universities merely developing contacts with business life; the universities themselves are doing business (Cowen, 1991). As far as the teaching function is concerned, universities are considered providers of services and students are seen as customers (Amaral and Magalhães, 2002). Due to the new culture, universities should begin to relate to students as customers and make cosmetic changes to transform dull-looking institutions into something miraculous and

enchanted. According to Ritzer (2002), however, because universities cannot use the same methods as other providers of services because of their characteristic nature, they should act to the contrary of the McDonaldisation thesis: in that way their activities would actually look attractive, and therefore impressive, to students. The author states that the university could concentrate on quality instead of working according to the principles of "fast and effective".

Students as customers do not have a very significant role on the educational market, since in most cases the tax-payers are still footing the bill for education (Amaral and Magalhães, 2003). A new market orientation may, however, be unavoidable, "as funding now follows students" (Johnson 2002, p. 142; Marginson, 2000, p. 31). It is possible to note that today universities function in a "command economy" (Trow, 1996). Alternatively we can speak of "market-like behaviour" or quasimarkets, and judge which market elements (*e.g.* competition) occur in various higher education systems (Goedegebuure *et al.*, 1993a, pp. 5-6). The same idea can be found in Clark's (1983) classical triangle of coordination. Using the triangle it is possible to demonstrate the relationships and changes in power between the state, the market and the academic oligarchy and depict the higher education steering mechanisms of various countries. In Jongbloed's (2003, pp. 121, 132) opinion, the interaction between these three actors is a continuous, dynamic process in which the role each plays changes continually.

Conclusions

Having performed theoretical analysis of university role in the knowledge society, the following conclusions can be drawn:

- Knowledge society refers to any society where knowledge is the primary production resource instead of capital and labour, i.e. this society creates, shares and uses well-being of its people.

- Knowledge society puts great requirements for universities; it requires closer cooperation of universities, the business environment and the state.

- In order to assess the challenges that universities face in embedding knowledge management, it is possible to discuss four types of knowledge society objectives, i.e. the creation and maintenance of knowledge repositories; improving knowledge access; enhancing knowledge environment, and valuing knowledge.

- Universities can be seen as highly important in the development of the know-how society, economic competitiveness and social unity, i.e. it has to transform into an entrepreneurial university.

References

1. Amaral, A. and A. Magalhães (2002). The Emergent Role of External Stakeholders in European Higher Education Governance, in A. Amaral, G.A. Jones and B. Karseth

- (eds.) *Governing Higher Education: National Perspectives on Institutional Governance, Higher Education Dynamics 2*, Dodrecht, Boston and London, Luwer Academic Publishers, pp. 279-298.
2. Barnett, R. (1994). *The Limits of Competence, Knowledge, Higher Education and Society*. Buckingham, SRHE and Open University Press.
 3. Burton-Jones, A. (1999). *Knowledge Capitalism, Business, Work, and Learning in the New Economy*. Oxford, University Press.
 4. Butera, F. (2000). "Adapting the Pattern of University organisation to the Needs of the Knowledge Economy", *European Journal of Education*, Vol. 35, No. 4, pp.403-419.
 5. Clark, B.R. (1983). *The Higher Educational System. Academic Organisation in Cross-National Perspective*, Berkley, University of California Press.
 6. Cowen, R. (1991). *The Management and Evaluation of the Entrepreneurial University: The Case of England*. *Higher Education Policy*, Vol. 4, No. 3, pp. 9-13.
 7. Davenport, T.H., DeLong, D.W. and Beers, M.C. (1998), „Successful knowledge management projects“, *Sloan Management Review*, Vol. 39 No. 2, Winter, pp. 43-57.
 8. Deem, R. (2001). Globalisation, New Managerialism, Academic Capitalism and Entrepreneurialism in Universities: is the local dimension still important? *Comparative Education*, Vol. 37, No. 1, pp. 7-20.
 9. Delanty, G. (2001). *Challenging Knowledge. The university in the Knowledge Society*, Buckingham, SRHE and Open University Press.
 10. Delanty, G. (2001). *Challenging Knowledge. The University in the Knowledge Society*. Buckingham, SRHE and Open University Press.
 11. Etzkowitz, H., A. Webster, C.Gebhardt and B.R. Cantisano Terra (2000). "The Future of the University and the University of the Future: Evolution of Ivory Tower to Entrepreneurial Paradigm", *Research Policy*, Vol. 29, No. 2, pp. 313-330.
 12. Fuller, S. (2003). "Can Universities Solve the Problem of Knowledge in Society without Succumbing to the Knowledge Society?" *Policy Features in Education*, Vol. 1, No. 1, pp. 106-124
 13. Giroux, H. (2003). "Selling Out Higher Education", *Policy Futures in Education*, Vol. 1, No. 1, pp.179-200.
 14. Goedegebuure, L., F. Kaiser, F. Maassen and E. De Weert, E. (1993). „Higher Education Policy in International Perspective: An Overview“, in L. Goedegebuure, E. Kaiser, F. Maassen, L. Meek, E. van Vught and E. de Weert (eds.) *Higher Education Policy. An International Comparative Perspective*, Issues in Higher Education, Oxford, Pergamon Press For International Association of Universities, pp. 1-12.
 15. Hazelkorn, E. (2004). *Accessing the Knowledge Society: Intended and Unintended Consequences of HE Policy Reviews*, UNESCO, Forum on Higher Education, Research and Knowledge, Colloquium on research and Higher Education Policy, December 2004, UNESCO, Paris.
 16. Jacob, M. (2000). "Mode 2' in Context: The Contract Researcher, the University and the Knowledge Society", in M. Jacob and T. Hellström (eds) *The Future of Knowledge Production in the Academy*, Buckingham, SRHE and Open University Press, pp. 11-27.
 17. Jacob, M. and T. Hellström (2000). "Introduction", in M. Jacob and T. Hellström (eds.) *op.cit.*, pp. 1-7.
 18. Johnson, H. (2002). "The Marketing Orientation in Higher Education: The Perspectives of Academics about Its Impact on Their Role", in G. Williams (ed.) *The Enterprising University. Reform, Excellence and Equity*, Buckingham, SRHE and Open University Press, pp. 142-153.
 19. Jongloed, B. (2003). "Marketisation in Higher Education, Clark's Triangle and the Essential Ingredients of Markets", *Higher Education Quarterly*, Vol. 57, No. 2, pp. 110-135.
 20. Marginson, S. (2000). "Rethinking Academic Work in the Global Era", *Journal of Higher Education Policy and Management*, Vol. 22, No. 1, pp.23-35.
 21. Meira Soares, V.A. and M.S.C. Amaral (1999). "The Entrepreneurial University" a Fine Answer to Difficult Problem?", *Higher Education in Europe*, Vol. 24, No. 1, pp. 11-21.
 22. Nowotny, H., P. Scott and M. Gibbons (2001). *Rethinking Science. Knowledge and the Public in an Age of Uncertainty*. Cambridge, Polity Press.
 23. Rinne, R., Koivula, J. (2005). *The Changing Place of the University and a Clash of Values: The Entrepreneurial University in the European Knowledge Society. A Review of the Literature* . Higher Education Management and Policy. Vol. 17, No. 3. OECD 2005. p. 91-123.
 24. Rowley, J. (2000). Is higher education ready for knowledge management? *The International Journal of Educational Management*, Vol. 14, No. 7, pp. 325-333.
 25. Scott, P. (2003). "Challenges to Academic Values and the Organisation of Academic Work in a Time of Globalisation", *Higher Education in Europe*, Vol. 28, No. 3, pp. 295-306.
 26. *The entrepreneurial university in the European knowledge society higher education management and policy – volume 17, 94 No. 3 – ISBN 92-64-03565-6 – © OECD 2005*
 27. *The World Bank. (2002). Constructing Knowledge Societies: New Challenges for Tertiary Education. The World Bank, Washington, DC.*
 28. Ziman, J. (2000). *Real Science. What it is and what it means*. Cambridge, Cambridge University Press.