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Universidades privadas independientes en Chile: ciclo de vida, comportamiento organizacional e inserción en el sistema de educación superior

Bravo Rojas, M.

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Summary

In 1980, during the military government (1973-1990), a profound transformation of the higher education (HE) system began. This change involved establishing a market to stimulate competition between different institutions and encourage private entities to provide higher education. This reform took shape through new legislation that established the freedom to create and maintain higher education institutions (HEIs), with only a few prerequisites to be fulfilled to enter the market - filing an act of constitution, offering at least one degree course and being granted political permission from the Ministry of Interior. In addition, it created a new financing scheme for HEIs, which established that private institutions created from 1980 onwards could not receive direct fiscal support from the state and had to finance their activities by charging tuition fees. Likewise, state universities - and private ones created prior to 1980 - that until then had received direct support from the state had to start charging tuition fees from then on, forcing their students to ask for loans from the state itself.

By the end of the 1980s, 22 new independent private universities (IPUs) had been created. These came to form part of the national HE system, together with state universities and private ones that had existed prior to 1980. There are currently 29 IPUs, which account for more than 50 percent of Chilean university enrolment. If enrolment in private universities that existed before 1980 and in non-university HE institutions is added to this, Chile today has an 84 percent rate of enrolment in private institutions, one of the highest in the world. Therefore, Chile after 1980 has become an early case study for the private transformation of HE, driven by the military dictatorship and the result of the neoliberal policies enforced by the Pinochet government.

Talking about new universities might seem like a contradiction. In fact, such is the importance of tradition and centuries-long history at universities that no HE entrepreneur can escape this reality. Given that they cannot ignore this institutional ideal or standard, new Chilean universities founded after 1980 have ended up imitating the traditional university model. A deep current of mimetic isomorphism runs through the history of universities, something that is clearly seen in Chile.

It is therefore relevant to question the decisions that the IPUs that have become high-functioning institutions in Chile have taken in what has been a complex environment. For example, they have set up efficient governing bodies to achieve their individual aims and have organised themselves efficiently to fulfil both their academic and their sustainable

business models. As a result, this has led to new universities obtaining recognition (accreditation) from the public body that regulates them, as well as prestige or a good reputation (seen through high positions in Chilean or international rankings).

To answer this question, this study analyses the trajectory of a number of successful Chilean IPU. It uses the theory of the life cycle of organisations in a model that has three stages: (a) creation and formation, (b) formalisation and coordination and (c) consolidation and organisational effectiveness. The general aim of this study is to analyse the decisions taken and practices implemented by these IPUs, which have turned them into high-performing institutions.

Chapter 1 starts with a conceptual investigation into the HE diversification and privatisation phenomenon and, based on this, more precisely defines the unit being analysed (the IPUs). In addition, a revision of the relevant literature also helps with this definition by shoring up the concept of consolidation and organisational effectiveness that is the final stage of successful IPU development. As a result, this chapter creates a conceptual definition of the IPUs created in Chile after 1980, as well as mentioning three historical milestones in the previously mentioned organisational development. In addition, four factors that allow for IPU consolidation and effective operation as part of a system of norms and expectations imposed by the regulating body and society are described: a) providing the education promised, b) a sustainable business model; c) efficient governing bodies and d) status and reputation.

Chapter 2 offers a historical-political analysis of when Chilean IPUs emerged, a context that influenced the processes developed by these institutions later on. The first section contains an analytical description of the historical construction of universities in Chile up to 1980. Then it takes a closer look at IPU development between 1981 and the present day, based on the transformation of the HE system and with a focus on their systematic organisational development.

The following three chapters are each dedicated to a case study of one of the IPUs chosen for this study. The institutional trajectories of these IPUs are studied, as well as the way in which they have managed to move towards institutional consolidation and effectiveness. Each journey is described using the previously mentioned three phases of organisational development, namely a) creation and formation; b) formalisation and coordination and c) consolidation and organisational effectiveness. In each of these phases or stages, the evolution of how the following developed was studied: providing the education promised, creating a sustainable business model, creating effective

governing bodies and obtaining status and reputation. Based on these concepts, the results of semi-structured interviews and the revision of different external and internal sources of IPU information were described, looked at in detail and interpreted.

Finally, the conclusion includes a systematic analysis of the institutional trajectories of the universities that were researched. To do so, both the common and different elements that led them to stand out in the national HE system in such a short period of time were identified. This helped construct an analytical model to understand the IPU's organisational trajectories and the practices and decisions that led them to move towards consolidation and organisational effectiveness, creating an organisational cycle model for Chilean IPUs.

As far as compliance with academic functions is concerned in the creation and formation stage, the three universities studied had clear aims that guided all their institutional endeavours. In the formalisation and coordination stage, they adopted continuous improvement processes and started to position themselves in the upper echelons of different Chilean rankings. Lastly, in the consolidation and organisational effectiveness stage, they moved towards greater levels of complexity and academic selectivity.

Regarding effective universal governance in the creation and formation stage, the governing bodies of these universities based their actions on the leadership of their founders or board members. In the formalisation and coordination stage, together with organisational growth and the impact of new state regulations (accreditation), the development of a more complex structure of governance at each university led them to greater bureaucratic formalisation. Finally, in the consolidation and organisational effectiveness stage, the IPUs analysed developed a type of university governance that guaranteed the renovation of their governing bodies and the alignment of these with institutional aims.

As far as the sustainable business model is concerned in the creation and formation stage, the universities studied focused on achieving financial sustainability to allow them to fulfil their academic functions. This was achieved by using any left-over money to its full potential and then investing in their own growth and expansion. In the formalisation and coordination stage, they faced the challenges of expansion and needed a business model with the capacity to generate resources. This was achieved by going into debt, by support from benefactors or through strategic alliances. In the consolidation and organisational effectiveness stage, these universities used their sustainable business

model to comply with their academic functions. This model aimed to create a surplus of money to internally finance subsidies and use different forms of income to invest in the institutions' development. This allowed these universities to offer more costly areas of knowledge and to move forward towards greater levels of research and scientific production.

As far as public recognition and market status in the creation and formation stage, the IPU's were competing in a market in which trajectory and tradition were the main sources of institutional prestige and where there were high levels of information asymmetry concerning HEI quality. In this context, the universities studied did not initially use marketing as a strategy for knowledge and for accumulating the capital of prestige. Instead, they looked to make a name for themselves in the market by capturing both academic and student talent. In the formalisation and coordination stage, the aim was to move towards obtaining institutional autonomy, with their initial accreditation achieved through the public body in charge of this. During this period, the universities studied advanced towards attracting talent among academics and students. In addition, and thanks to their higher level of organisational maturity, they also showed signs of quality and gravitas regarding the education offered. In the consolidation and organisational effectiveness stage, they achieved high-impact public recognition for the first time, with five years of accreditation from a maximum of seven. These universities managed to maintain this in their subsequent mediation processes, also incorporating new accredited areas such as research. This recognition from the public regulating body was accompanied by the studied universities positioning themselves in the top half of Chilean rankings, accumulating capital in the market of institutional prestige. In addition, a relevant milestone involved the entry of these HEIs into the Sole Admission System (SAS), a structure that puts student admission and selection into the hands of an external agency, sending a strong sign to the public about their transparency and this system's trust in their structures.

The case studies brought together in this study show that each university has a unique and incomparable history, based on what inspired the founder who gave their name and put their stamp on the organisation. That is why changing the names of universities is highly unusual and almost unheard of. Important decisions involving changing the location of their main campuses or expanding to other regions are also rare until they start enjoying the fruits of their evolution. These results manifest in the form of important

rewards, such as incorporation into the exclusive Council of Rectors of Chilean Universities (CRUCH). Although each university is a microcosm, each one's trajectory has specific characteristics and common practices that, at each stage of its life cycle and in each analysed dimension, help achieve consolidation and organisational effectiveness.