The fashion in universities and other public sector organisations for 'shared services' did not spring from nowhere. Yes Minister in the 1980s featured an episode about a hospital that had 500 administration staff, but could not afford to employ nurses and doctors and so could take no patients. But it did win the Florence Nightingale Award for "The most hygienic hospital"! To quote Health Minister James Hacker (JH) and Sir Humphrey Appleby (Sir H):

JH: We are talking about St Edward's Hospital?
Sir H: Yes. It's brand-new and fully-staffed. Unfortunately, there were cutbacks, so there was no money for medical services.
JH: A hospital with over 500 non-medical staff and no patients?
Sir H: ... First of all, you have to sort out the smooth running of the hospital. Having patients around would be no help at all. They'd just be in the way.
JH: You think spending more money on fewer patients so we can employ more administrators is a good way of spending the taxpayer's money?
Sir H: You talk as if the staff have nothing to do! –
JH: What do they do?
Sir H: – Really, Minister! There's a large number of extremely busy departments. Firstly, the Contingency Department; for fires, strikes, air raids, nuclear war, epidemics, food or water poisoning. Then, the Data and Research Department, ... Finance ... Purchasing Department ... Technical Department ... Building Department ... Maintenance, Cleaning and Catering, Personnel in charge of leave, ... staff welfare officers to look after the 500 employees. – And finally, Administration.
JH: – Administrators! More administrators administrating other administrators!
Sir H: This is important work, Minister.
JH: The typing pool, stationery, office furniture and equipment. – Liaison between departments. – Are you being serious or not?
If one replaces "patients" with "students" and "nurses and doctors" with "academics", they could be talking about a modern university.

In many countries, the managerialist juggernaut has hit the academy. We all understand that universities – at least public ones – are subject to the political caprices, whims and fancies of various education and employment ministers, and so budgets shrink while grandiose aspirations rise. Universities in many countries are embracing the shared services model (it has other names), and centralising administration. There can be no-one, even among shared services' staunchest supporters, who does not deny the impetus for such services is not financial, with saving money being a key rationale. As Joseph Grasso from Cornell University in the USA noted: "The financial challenges in higher education in general, I think, are accelerating the use of shared services."

Universities were once places of highest learning, whose raison d'être was the generation and promulgation of new knowledge. Few purse-holding politicians these days would cherish, let alone promote, such ideals. Rather, education ministers are more likely to demand that graduates are 'job-ready' and be trained as square or round pegs for particular jobs, rather than having developed the abilities to think and reason. To keep these "skills-and-employment institutions" functioning and compliant, huge administration empires have grown up around them.

In an attempt to cut burgeoning administrative costs, centralised shared services are the new poster children of university bureaucrats everywhere. Here's how they work: anyone employed to support the administration of the work of the university – the teaching and research and knowledge generation of the academics – has been taken out of schools, faculties and units (if not from the Executive Suite) and placed – at least electronically – centrally. If an academic or researcher needs admin help, let's say, booking a lecture theatre, or perhaps a trip for a research meeting, or preparing a research grant, then instead of asking the (previously) ever-present and reliable admin or research support person in the school/faculty/unit, one has to send an email into the maw of shared services and log a job. Someone will eventually read the email and reply. Most often, the reply is little more than directions to a web page where the academic/researcher can do the booking or prepare the grant him/herself. Now if you are in a lecture and the battery runs out on the remote control, there is no-one to ask about how to replace it – except via online, of course. Little help when one is in the middle of a lecture! If there is so little respect for universities as repositories and generators of knowledge, it is unsurprising that there is a concomitant lack of respect for the academics who try to generate and protect such knowledge.

There seems to be no end to the appetite of university executives for more shared services. Why would there not be? Shared services holds out the near holy grail promise of reducing costs, with the added, if never-to-be-spoken of, advantages of centralising executive power and dismantling all of these troublesome loyalty cadsels of schools, faculties and groups of academics and local admin staff. All over Australia, we follow the global pied pipers with university after university announcing exciting 'new initiatives' that will 'reduce costs', 'transform services' and, of course, free up more resources that somehow will magically trickle down to all of those resource-starved academics. If only!

Universities have become the victims of an army of big and small consulting firms, IT companies, accountants and others all out to 'partner with', (read – make money from) them. Among those 'partners' are PriceWaterHouseCooper; Deloitte; and Huron Consulting Group.

You will struggle not to glaze over as every 'thought leader' reiterates their mantra about shared services; of 'transformation', 'innovation', 'maximising resources', 'creating sustainability', 'disruptive thinking', 'unlocking efficiencies', 'driving growth', 'business impact', 'increasing integration', 'maximising revenue', 'greater agility', 'competitive advantage', 'forward-facing business ecosystem', 'cross functionality' and of course, 'delivering greater customer value', ad nauseum. At one university in the US, the move to shared services was even badged as 'Operation Excellence'. Unbelievably, the university leaders who buy this snake oil are often experienced academics raised on principles of critical reading and thinking, and trained to smell such rats at 100 paces.

There are profound problems associated with shared services. However, they have some advantages, but they depend very much on what definition or understanding of them that you accept. If we are talking about a university having a centralised transport facility, or university-wide IT department, there would be few arguments that these should be shared. The idea of each school or faculty having its own IT department and facilities is simply ludicrous. But is this new centralised model making anything better? We believe it has made things much worse, at least for academics and researchers, who, after all, generate the knowledge and pass it on to students – the university's raison d'être for existing in the first place.

Shared services is happening in many universities in many countries. Some places have evaluated this new model and the evidence about how it is working shows that the jury is, at the very least, out. We have done our own 'back of the envelope' calculations about the costs of the model, based on the Enterprise Bargaining Agreements (EBAs) at an Australian university. Given that, under this model, all academics basically do their own administration, such as entering marks into spreadsheets, checking their own grant proposals etc., we took the hourly rate of pay for a Level E (professor) and compared that with the same level for a mid-range admin person who would, under usual models, do the same work. Under most Australian EBAs, a Level E works 48 weeks per year, and 37.5 hours per week. That works out at $97.23 per hour. If someone employed under a mid-range professional staff agreement works 48 weeks per year and 35 hours per week, then that is $42.99 per hour. In other words, under this model, the university is paying over double the rate for administration work. And of course, if the academics were supported and
did not have such a heavy admin load, then they would be freed up to do what they are meant to do –
research and teach.

A brain drain is developing from this misguided attempt to save money. We have many anecdotal reports
of senior academics moving from universities with “shared services” to institutions which do not, who say
that the shared services model is a major push factor influencing their decision to leave.

In addition, the promotion and career advancement prospects of junior academics and early career
researchers are being compromised because of the large amounts of time they have to spend doing
administrative tasks that would be better done by persons qualified and employed for those functions.

While education ministers are hell bent on reducing funds to the higher education sector, we will see other
instances of university executives scrabbling to keep their places running. But such ill-judged models from
the world of managerialism are doing nothing but causing dissatisfaction and staff attrition at quite
alarming rates.

We will see more and more calls to introduce shared services and all will come with the same seductive
Siren promises, and quite possibly with the same lack of evidence. University faculty will be pressured into
following the shared service parade, lest they too are deemed ‘resistant to change’, silo thinkers, opposed
to modernization, dinosaurs and more. Academics continue to look for the slightest benefit or advantage of
shared services in their everyday work, but are unlikely to see any. What they will see is increasing
centralisation, decreasing power and influence within individual faculties and schools, and more and more
everyday administrative work stealthily devolved to individual academics so that they may not have time to
see how the bigger picture of our universities is changing, so drastically and so disturbingly.

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