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# Imagining a Leaner, Meaner University



By Phanish Puranam , INSEAD Professor of Strategy and Organisation Design

## **If we had to redesign higher education from scratch, what would it look like?**

Asian and Western cultures alike have traditionally revered higher education and its most famous institution, the university. But the online education revolution has provoked, for the first time in several centuries, a serious test of our devotion to the traditional university model. Some **experts are asking**: In a world where high-quality learning can be accessed by anyone, anywhere (at least theoretically), what additional value can the university offer its students, over and above online platforms? Can, and should, the university unburden itself of cash-guzzling facilities and services that have mostly outlived their usefulness?

These questions are more than academic. In the developed world, university degrees are **no longer the attractive investment they once were**. And the established university model falls far short of the efficiency and scale necessary to serve large populations in emerging economies such as India. To stay relevant, the university might have to become leaner and meaner.

Though traditionalists may grumble, it is normal and healthy for all products, services and institutions to be fundamentally re-imagined once in a while, as if they were being designed from scratch. This is the core idea behind apparently diverse notions such as Carlos Ghosn’s “frugal engineering”, Elon Musk’s **“first principles thinking”**, or indeed something as prosaic as zero-based budgeting.

## **What University 1.0 does**

An unbundling of the university begins with an inventory of the seven basic activities they undertake today:

1. Knowledge production: Universities remain the primary home for scholars who conduct research and publish in peer reviewed outlets, and are rewarded with stable employment (often a tenured contract) for excelling at these activities.
2. Knowledge delivery: This has two main components. Curriculum design involves decisions on what constitutes a relevant body of knowledge for an individual student. Instruction includes activities in classrooms, tutorials and labs, at all levels -- from undergraduate to doctoral and beyond (such as professional ongoing education). Beyond the specific content of courses, there is the development of capacities for thinking, arguing and self-learning.
3. Screening: Admitting selectively has always been the open secret of some elite educational institutions. It can hide poor performance on both knowledge production and delivery, because it is self-reinforcing if selection capabilities are scalable. If selection is effective today, it will become more so tomorrow as the applicant pool increases, making it possible to improve the quality of graduates even further without improving either knowledge production or delivery.
4. Certification: This involves processes of defining requirements to gain diplomas, conducting assessments of students and maintaining the legitimacy of these processes.
5. Placement: The process of creating a match with employers – the “placement cell” function of educational institutions – is vital to the institution.

6. Socialisation: This is particularly relevant for young adults in undergraduate programmes. However, at all levels, the creation of social capital in the form of friendships, co-membership in groups, and ultimately in the university itself forms the basis for valuable social connections that can be professionally useful. Physical infrastructure such as libraries, dormitories, catering and sports facilities support the socialisation function.

7. Self-sustenance: Fundraising, technology commercialisation and brand building activities that attempt to fill the gap between operational sources and uses of funds in educational institutions.

Two questions arise about this list of activities. First, do they *need* to be done jointly by the same organisation? Second, do they need to be done as they were in the past? The answer, I believe, to both questions is “no”.

### **The great unbundling**

Today, I think it beyond dispute that that the separation of knowledge delivery (curriculum design, instruction) and knowledge production (research) is technically feasible. Online education has only sped up this process by providing additional channels for communicating research. Important exceptions at the cutting edge will exist but, by and large, I suspect it will get harder to demand that every good instructor also be a good researcher (or be physically located next to one).

Instruction, curriculum design and certification are already separated in many higher educational systems around the world, with curriculum design and certification performed by a national standards body. Acceptance by future employers and demonstrated predictive validity about the future success of students could serve a similar function.

It is also possible to outsource admissions and (at least partly) screening, as shown by the existence of standardised testing providers.

Can the socialisation and peer effects that are a traditional strength of University 1.0 be transferred to the online domain? Looking at how youngsters today interact online, one might be tempted to say “yes”, but perhaps a hybrid model combining virtual and real interaction is more realistic.

While none of this seems to point to the extinction of the high-prestige elite educational systems, it does make life more competitive and interesting for

them, while offering clear challenges to the vast majority of universities that try to do all these things and achieve their (modest) success by acting like regional monopolies.

### **Improving the pieces**

Not only can the pieces be unbundled, but each piece can also be done differently. From my own advisory and research work, I know today of start-ups that are trying to modernise recruitment (e.g. [Venturesity](#)), placement and career development (e.g. [KitnaDetiHai](#)), and practice professorships (e.g. [UpGrad](#)) to keep pace with the changes in pedagogy that online education makes possible. Imagine for instance, a recruiter being able to hire employees with demonstrated skills on the job but also in teamwork, through a simulated 24-hour task; being able to help experienced professionals design and deliver a professional education course online; or benchmark and model career progression by cohort. That's what these start-ups are trying, combining data analytics with behavioural science. We don't yet know which ones will succeed, but they demonstrate what is technically feasible (and what no university I know of is trying).

### **Opportunities in education**

Undergraduate education in general and professional/technical education in particular seems the most fertile ground to seed with University 2.0 ideas. But there may be surprising niches. For example, doctoral programmes would at first glance appear to be an inseparable bundle of research, curriculum design, instruction and assessment. But doctoral coursework (which is often an expensive cost centre, and is not the basis for competition between programmes) could well be offered using University 2.0 platforms.

The opportunities of University 2.0 are particularly important for emerging economies to realise, to avoid blindly scaling up costly educational infrastructure using the blueprints of yesterday. On the other hand, these developments do not necessarily spell the doom of elite 1.0 universities, which compete on unique historical endowments of legitimacy and access to resources. To borrow from my colleague Chan Kim's terminology, perhaps University 2.0 will be the "blue ocean strategy" of these educational institutions.

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