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Neoliberal Awakenings: A Case Study of University Leaders' Competitive Advantage Sensemaking

Market principles in higher education seem to have generated a neoliberal awakening. A corollary of such market principles is the need for universities to develop effective strategies that give them competitive advantage. Thus, competitive advantage represents a key construct of neoliberalism, where the focus in this paper is on how university leaders, therefore, make sense of competitive advantage. Based on a comparative and instrumental case study using two close rival universities in England, three sensemaking dilemmas emerge as core elements of how university leaders conceptualize competitive advantage. The first one is about environmental fit or misfit. The second one is about seizing or missing opportunities. The third one is about finding a frame of reference. These dilemmas are valuable as they provide a possibility to understand what competitive advantage means in higher education, where the standard tenets of the concept, such as higher profits, might not always be helpful.

Introduction

For several decades now, we have seen the incursion of neoliberal–free market–policies into higher education systems (Clark, 1983; Marginson, 2013). The degree to which neoliberalism has influenced universities varies significantly across countries. Yet, it is evident that pro-market trends have had considerable impact on the dynamics of higher education systems in the world, from the United States (Etzkowitz *et al.*, 2000) and the United Kingdom (Bratberg, 2011), to South Africa (Naidoo, 2004), among others.

Marketization has certainly impacted the ways of thinking of various groups in higher education. One group which according to Naidoo, Shankar and Veer has been particularly impacted (2011), is students and their enhanced roles as consumers (Tomlinson, 2016). On the other hand, Emerson and Mansvelt wonder what, if any, has been the effect of the metaphor of students as consumers on tertiary teachers (2015); where some, as Bolden *et al.*, argue that marketization has created confusion and a feeling of alienation in academic staff (2014). Yet, another particularly important group affected by neoliberalism is the leaders of universities. Thus, the way university leaders are making sense of marketization is of utmost importance to understand the impact of marketization on higher education. Smerek argues that we should expand our understanding of 'the ways leaders think, such as their cognitive frames, strategy, and implicit leadership theories' (2013, 372). Hence, given the importance of marketization on higher education, further insight is required on how university leaders are thinking, or better said, making sense of some of the key constructs of neoliberalism. Among those key constructs, one that is essential, is competitive advantage (Hamel and Prahalad, 2005; Miles and Snow, 1984; Abreu Pederzini, 2016); because if the metaphor of the student consumer is spreading, and the ideology of competition is thriving, then, it is only natural to wonder, how are university leaders

thinking about who is winning in this competitive struggle? Or, in other words, how are university leaders making sense of competitive advantage?

The answer to this research question is arguably context dependent, and one could infer that leaders in different universities and countries might make sense of competitive advantage in various ways. Yet, it is important to select an instrumental context that provides most of the essential features of the neoliberal awakening in higher education, to at least explore a valuable angle of such a research question. Such an instrumental case was found in two young universities in England, UniA and UniB (as I will refer to the two selected universities for this study). These two universities provided an instrumental context, because both universities were founded around the same time in the 1960s and have been related in popular culture as close competitors. Additionally, these universities intensely experienced the Thatcherite years, when important neoliberal trends emerged in English higher education.

Competitive Advantage and Sensemaking

To understand competitive advantage one must first understand what strategy is. Strategy, according to Miles and Snow, is about achieving fit–or at least some level of it–between an organization–such as a university–and its external context (1984). The external context, is part of the environment of an organization. Here, environment refers to the full context that surrounds a university, meaning its external plus also its internal contexts. A university's internal context comprises its structure, organizational culture, resources, and capabilities, among other elements (Eisenhardt and Martin, 2000). By contrast, an external context would comprise the broader competitive, economic, regulatory, political, social and technological conditions. The latter

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illustrates the complexity of a full environment, as there is to it an internal element with many dimensions, and an external element with many dimensions too.

The important point here is that universities' internal contexts need to be aligned–perhaps not fully, but at least partially–with their external contexts if survival and superior performance (i.e. competitive advantage) is aspired. Strategizing, therefore, becomes as Freedman argues, about aiming for such alignment or fit between interior and exterior (2013). If universities become misaligned, performance **might** deteriorate, competitive advantage **might** fade away, and even survival could **potentially** be challenged. This is what Johnson calls the threat of 'strategic drift' (1992, 33): 'gradually… the strategy of the organization will become less and less in line with the environment in which the organization operates. This… process… may not be discerned by the managers until the drift becomes so marked that performance decline results'. The latter is a standard Darwinian tenet, which argues that if an organization is embedded in an external context that challenges it; then, the internal context of the organization need to provide it with sufficient tools to respond to such challenges, or otherwhise, the probability of survival **might** decrease.

In sum, strategies are part of internal efforts to match the external conditions to increase chances of survival. However, as strategies get executed, deliberate or unexpected outcomes might emerge (Mintzberg, 1978). Such outcomes define the overall performance of a university, from which assessments of achieved competitive advantage could be drawn. At least in principle, those universities that best fit in with their external context would be more likely to survive, and achieve some competitive advantage (although this does not mean that their fit has to be perfect). But, the real problem here is how exactly could we assess competitive advantage?

Generally, for for-profit companies, one of the fathers of strategy Porter would argue that 'A company can outperform rivals only if it can establish a difference that it can preserve' (1996, 62), which is why Armstrong and Shimizu broadly define 'competitive advantage [as] when… [an organization] can produce more economically and/or better satisfy customer needs, and thus enjoys superior performance relative to its competitors' (2007, 961). Better satisfy customer needs, means precisely achieving some fit with their external context. This basic definition of competitive advantage, however, hides how difficult it could potentially be to apply it to universities. In other words, to assess whether competitive advantage has been achieved in higher education could be challenging for various reasons. First, many universities, if not most, are working to develop an advantage. Therefore, even if a university clearly achieves it, it would be difficult to sustain it (Ghemawat, 1986). Second, knowing when an advantage has been successfully sustained could also be complicated. In more dynamic environments, a year of sustained superior performance could be relevant, in others it might be decades. Third, going back to thinking about for-profit companies, if a company, as Armstrong and Shimizu argue, '…produce[s] more economically…' (2007, 961), it could achieve superior performance in terms of profits, and thus, for companies, profits are an indication of competitive advantage. However, for most higher education institutions this would be a limited definition, as there is a significant proportion of universities (although not all) that are not for-profit. Certainly, in England, the latter is the case for all public universities. Therefore, the question emerges on what competitive advantage is for not-for-profit organizations and how could someone know if not-for-profit organizations–such as some universities–have competitive advantage?

Now, let me be clear, the fact that non-for-profit universities–which represent a very significant portion of higher education–are not as prone to be described in terms of competitive

advantage, does not mean that competition and competitive thinking have not already been a part of the ethos of the sector. Higher education is a positional good, which entails that, for instance, students benefit from a degree inasmuch as the degree opens doors to better status in society. Thus, this has derived, for a long time now, in higher education sectors where, as Marginson argues, 'competition is analysed in terms of hierarchy and power', as those universities capable of bestowing more elite social status on their members become more sought-after (2006, 3). Hence, this shows us that competitive thinking in higher education is not exclusive to current neoliberal times. Neoliberalism has only made it more blatant.

In higher education, different ways to map and measure such hierarchies have emerged. Certainly, a possible way–and probably the most popular nowadays–to define higher education hierarchies are rankings (Horta, 2009; Marginson, 2008). Yet, not everyone agrees on the validity of rankings. The latter is the result of universities facing performance measurement ambiguity. Universities are multi-mission organizations (Scott, 2006; Shattock, 2010). They do research, they teach, they do public engagement, they work with industry and spin off enterprises, among other things. Measurements such as rankings are usually weak, precisely because they weigh differently the various missions, with some rankings giving more weight to the research mission, while others to teaching. The latter derives in disparate university distributions. For example, different rankings in England have tried to order universities (e.g. the Guardian, the Times, Times Higher Education, QS, etc.). However, this generally results in contradictory distributions of universities, with some universities ranking at the top of one ranking, but much lower in others, given the differences in methodologies. It is important to note, nonetheless, that regardless of the debates around rankings, these have become incredibly popular, and are used by many students and academics.

As rankings might not be ideal to understand competitive advantage in higher education, let us look at alternatives. Another possibility is to look at leaders' sensemaking and explore how they are conceiving their competitive environments, and which universities in them they believe have competitive advantage. This idea emerges from the work of Porac *et al.* (1989) on cognitive communities, and their idea–further reviewed by Hodgkinson (1997)–that more than objective assessments of competition, what matters is which organizations people perceive as their competitiors, and how do people subjectively assess their relative standing against them. This is certainly a subjectivist approach, but a highly relevant one, as one could argue that the ways leaders simplify their complex competitive environments (Jenkins, 2014), reducing them into classifications of which organization is ahead and which is falling behind, dictates more closely what these leaders will do than some objective assessment of competitive advantage. This way of looking at strategic issues is related to what Chaffee calls interpretive strategy: '…orienting metaphors or frames of reference that allow the organization and its environment to be understood by organizational stakeholders' (1985, 93). A model that Maasen and Potman (1990, 407) argue 'should prevail [in higher education] instead of the more commonly applied adaptive model'. The latter is suggested because higher education is a very particular sector, where the complexity of internal and external contexts could be significant and strategy could be seen as the integration of a plethora of micro-strategies that vary from one department to another. Making it, thus, fundamental for leaders' interpretations (i.e. sensemaking) to guide them in some way through all this complexity (Abreu Pederzini, 2017).

In short, competitive advantage in higher education could be explored through leaders' sensemaking of competitive advantage. Here, sensemaking refers to a 'process of social construction in which individuals attempt to interpret and explain sets of cues from their

environments. This happens through the production of "accounts"–discursive constructions of reality that interpret or explain–or through the "activation" of existing accounts' (Maitlis, 2005, 21). Weick *et al.* define one of the key features of sensemaking by saying that 'Sensemaking is about the interplay of action and interpretation' (2005, 409). The latter is truly important for my purposes here, because it suggests that sensemaking is about creating a dialogue between the way people interpret their worlds, and the way they act in them, and vice versa. Thus, by developing accounts (Day and Nedungadi, 1994; Maitlis and Christianson, 2014) that explain their competitive environments (i.e. who their competitors are and what does it take to compete), university leaders could be simplifying complex competitive contexts, as to know how to interact with them. Making us, then, naturally wonder, how do university leaders, as part of this process, make sense of one of the most key and fundamental constructs of marketization: competitive advantage? Researching the latter question means, therefore, to research what Porter, in an interview, calls one of the most essential activities of leaders in organizations: 'asking themselves, "What is our competitive advantage?"' (Stonehouse and Snowdon, 2007, 268).

Methods

Two universities in Britain were selected for this study, as these universities represent two examples of public English universities that are considered close competitors, where focusing on two closely related cases provides the opportunity for fine-grained analysis and comparisons (Yin, 2003). These two selected universities will not provide a final and absolute answer to the question of university leaders' competitive advantage sensemaking, because as aforementioned, the latter depends a lot on context. However, when it comes to research questions that encompass such complexity, one should at least look, as Stake argues, at instrumental cases that could

expand our knowledge and shed some light on the research problem (1995). In this case, UniA and UniB are part of a country, England, which has been characterized precisely by its strong trend towards the marketization of higher education. Additionally, these two universities have been described as extremely competitive rivals. Their rivalry emerges from the historical links they both share, as both universities were founded around the same time in the 1960s. Furthermore, within this group of 1960s universities, UniA and UniB have both been considered the leaders of the group at different points in time. The latter derived in a competitive cross-culture, as they arguably considered themselves part of the same strategic group and constantly fighting for its leadership. More importantly, they faced together the marketization awakening in England during the Thatcherite period in the 1980s.

A total of 19 semi-structured interviews were done, as these were considered the optimal available method to access the subjective ways of thinking of current or recent senior leaders at UniA and UniB. Of the 19 interviewees, 14 were current or recent senior leaders of these two universities. These 14 core interviewees were selected because they hold–or recently held–very senior positions in these universities, including: university President (known as Vice-Chancellor in England), Vice-President (known as Pro-Vice-Chancellor in England), Chief Operating Officer, and strategy or planning director and analyst. Thus, these 14 core interviews allowed me to access in-depth the ways of thinking of senior leaders in these two universities.

Before I started interviewing people, I did a documentary review, where a comprehensive collection of documents was gathered. Documents included internal documents from each university (e.g. their own institutional memories), and published external articles regarding these two universities (e.g. newspaper articles narrating events of news about these universities). This preliminary documentary review revealed that, as it is standard for English universities, UniA

and UniB benchmark themselves against the strategic group that contains universities from similar historical backgrounds. That group (i.e. the group of 1960s universities in England) has faced two remarkably important periods. First, the 1960s when these universities were founded. Second, the 1980s when neoliberal Thatcherite reforms started. The latter reforms included devolving some powers back to universities, initiating the Research Assessment Exercise to make universities compete for quality research funding, introducing funding cuts to make the sector more operationally effective, and introducing tuition fees for international students, among others. As it will be presented in the findings, UniA and UniB had significantly different performances in both periods. UniA leading in the 1960s, and UniB in the 1980s Thatcherite period. Thus, a competitive cross-culture developed between both places, where they are constantly watching what the other is doing and/or which is doing better.

Finally, it is important to note that the latter entails that the analysis of these two universities was made assuming that they have faced a similar (i.e. quasi-homogenous) external context. In some ways, this is valid as they have shared a lot. However, completely similar external contexts are almost impossible, as given the complexities of external contexts, differences are to be expected. Thus, this assumption is just an instrumental assumption to allow for an analysis. Yet, it must be remembered that it is an assumption. More importantly, the internal environment of both universities was certainly different (something that the first-order findings make clear and which implications are addressed in that section).

The core 14 interviews focused on exploring how interviewees explained the competitive advantage or disadvantage of their university precisely during the relevant periods of the 1960s and the 1980s. Given the strong influence that the rivalry between both universities had on the universities, all interviewees were knowledgeable about it and its historical roots. More

importantly, preliminary informal discussions to negotiate these interviews, revealed that focusing on two past and historical periods would enable interviewees to be more open, than if I had explored the current situation, as people were not as willing to talk about their current strategic position. The latter is a usual intricacy of exploring strategic issues, as strategy by nature tends to be something people prefer to protect.

The remaining 5 non-core interviews, were done to triangulate information. Of the 5 non-core interviews, 3 were done with very senior leaders at other universities, which leaders at UniA or UniB mentioned as role models. The other 2 interviews were with senior and well-known sector experts. All 19 interviews were in-depth interviews lasting at least an hour, with many extending much longer, some as long as four hours. In total, approximately 35 hrs. of interviewing were collected. Interviews were semi-structured. I had a basic interview agenda with some initial and essential questions, divided into 5 topics: the past of the university, the conditions of the environment during the explored period, the competitive environment during the explored period, the ways in which it could be said that the university had or not achieved competitive advantage, and the reasons that explained why and how the university accomplished or not an advantage. However, each interview varied depending on the interviewee and the direction he or she would take. Data collection stopped when reasonable saturation was reached.

Data analysis

I transcribed and coded all interviews, and also coded the documents (where appropriate). The data was analyzed in two steps, following what Langley and Abdallah call the Gioia method (2016). First of all, a first-order analysis of open-coding 'to discover themes and patterns in events and informants' accounts' (Gioia and Chittipeddi, 1991, 437). This first-order analysis

produced a historical descriptive narrative of how interviewees described each university in the two explored periods. In other words, the first-order analysis put order on the data, to prepare it for a second round of coding, now focused on the research question. Thus, a second-order analysis looked for the underlying patterns across competitive advantage accounts, first within cases and then across cases (Yin, 2003). The second-order step is basically about finding and building the necessary theory to explain the first-order findings, and thus, it entails frequent 'comparison of one's data to a nascent model emerging from analysis' (Walsh and Bartunek, 2011, 1022).

Given the specific focus of the project on competitive advantage, it is clear that this is not a purely inductive project. Actually, as Phillips and Pugh (2010) argue, pure induction is probably a utopia. In short, following Basit (2003, 144), I accept that 'we come to qualitative research with whatever understanding of analysis we bring from previous work'. In this case the targeted focus on competitive advantage is the main previous understanding that is brought into this research. And, therefore, it became the guideline for the second-order coding. In short, as the previous section points out, competitive advantage is a core strategic management concept that is related to two fundamental issues: superior performance and relative standing against competitors. Hence, superior performance and relative standing against competitors were the two key criteria used when doing the second-order analysis. These two criteria allowed me to identify the comments related to competitive advantage, from which codes were constructed to theorize about what the interviewees were saying about competitive advantage.

It must be acknowledged that the methodology has certain limitations, of which the most important might be its external validity, given the specific context where it was carried. Another potential limitation, as explored by Golden (1992), is that interviews as a method are far from

flawless. For instance, interview accounts might be biased by posterior or current events, or simply by a natural loss of detail. This is why a documentary review was also carried, so that it could help tackle some of the limitations of interviewing.

First-Order Findings

The external context

As aforementioned, the researched period (1960s-early 1990s) was divided into two stages, the Robbins Stage (1960s-1970s) and the Thatcher Stage (1980s-early 1990s). The Robbins Stage begins with the Robbins Report, which was a grand inquiry into higher education done in the 1960s (Watson, 2014), a decade characterized by a proactive ethos and student activism. Before the Robbins Report, the English higher education sector was basically an elite sector, to which only a small percentage of eligible young adults had access (Perkin, 1972). Robbins mainly recommended an expansion of the sector. Additionally, it pushed for the opening of six new universities, which came to be known as the plate-glass universities (Beloff, 1968; Perkin, 1972). Importantly, back then universities were basically funded by the Universities Grants Committee, which provided funds to universities but allowed them to operate autonomously (Henkel, 2000).

The Thatcher Stage represents the period of Thatcherite reformation, which brought some of the first pro-market pro-competition efforts into English higher education. This period started after Thatcher's arrival to power in 1979. Major changes included ending the overseas students' subsidy (Watson, 2014). Furthermore, cuts were implemented across the higher education sector which significantly affected universities. Perhaps the most representative change was the introduction of competition for research funding (Shattock, 2010). Thatcher wanted to improve the efficiency and competitiveness of universities. To do this the Research Assessment Exercise

was introduced. The first one took place in 1986. With the introduction of the Research Assessment Exercise, universities' research output was to be assessed to decide which universities had better research performance. Those with better performance would receive more research funding, and those with worse performance would receive less. This changed the system, at least in terms of research, into a competitive system where the best performers were at the top. Thatcherism promoted a new-right, pro-market ethos (Raffe and Croxford, 2013), pushing universities to be more enterprising, closer to industry, and becoming more self-sufficient.

UniA

This university was in a favorable and privileged status during the Robbins Stage. UniA was a younger university compared to other older universities in England. During the 1960s UniA was widely popular, as it had an attractive location in a resort city, characterized by a liberal ethos, much as that embraced by the 1960s. UniA had an interdisciplinary model, and was known as a tolerant university, where students were free to express themselves. Thus, healthy student activism was usual in UniA. Due to these features and the youthful liberal hippie atmosphere of the 1960s, UniA became very popular. Documentary analysis evidenced stories of students opting out of prestigious older universities to go to UniA, and cases of students being accepted at prestigious older universities but rejected from UniA. Therefore, during the Robbins Stage UniA had status, which in the ambiguous multi-mission higher education sector (Scott, 2006; Shattock, 2010) is one of the favorite proxies for superior performance. Additionally, the interdisciplinary model turned out to be considerably successful, attracting, for example, top staff that otherwise would have preferred an older university.

Things were, however, different for UniA during the Thatcher Stage. Given its significant success during the 1960s and 70s, UniA got locked into a 1960s worldview. Interviewees described UniA as stuck during the 80s. People at the university became self-complacent, self-centered, and got too comfortable with their status. Thus, UniA became disconnected from the broader higher education sector. As the external environment changed, the liberal atmosphere faded away, and therefore, the effect that a liberal, tolerant and edgy organizational culture originally had on UniA's status, decreased in the Thatcher Stage. The 80s required universities to compete against each other, to have more efficient operations, to work closer to industry, and to generate alternative funding sources, among other neoliberalist ideas that contrasted with the left-wing thinking of UniA. Hence, during the Thatcher Stage, UniA lost most of its status, and the university started drifting.

UniB

Things at UniB were almost the complete opposite. Its location in an industrial zone was unattractive, and the liberal culture of UniA was not representative of UniB. The interdisciplinary ethos was also mainly absent in UniB. Furthermore, UniB was close to local industry since its inception. Therefore, the university had a strong industry inclination, which did not really relate to the 1960s atmosphere, when universities were still seen as places of intellectual exploration detached from the mundane interests of businesses. The industry ethos at UniB caused problems in the university, including student and staff discontent and protests.

As the external context changed towards the Thatcherite competitive period, UniB's status changed. Because of its business oriented culture and its talented leadership, UniB quickly responded to Thatcher's cuts by engaging in a plethora of entrepreneurial activities that

generated alternative funding. This created an entrepreneurial culture that propelled the university into a very different status. From being a university with basically no status in the 1960s, it became one of Thatcher's favorite universities. Its entrepreneurial and industry oriented culture fitted well into the Thatcher Stage, and allowed the university to improve its income base and get adapted to the Research Assessment Exercise funding dynamic, where it was considerably successful.

Second-Order Findings

Leaders' competitive advantage sensemaking

Interviewees made sense of their university's competitive advantage/disadvantage in various ways. In the case of UniA, all interviewees assessed the university as having competitive advantage, or at least superior status, during the Robbins Stage. The way interviewees made sense of their university's competitive advantage revolves around three main sensemaking dilemmas. First, interviewees related the alleged competitive advantage of UniA during this period, to UniA's left-wing and edgy culture, which fitted in with the Robbins Stage activist, hippie and expansionist vibe. Thus, here we find the first competitive advantage sensemaking dilemma of whether the university fitted in with its external environment, which in this case, according to interviewees, it did during the Robbins Stage. Second, interviewees explained UniA's competitive advantage as a consequence of its then leaders' capacity to seize the opportunity that fitting in with the external environment provided. Therefore, the second competitive advantage sensemaking dilemma is not just an issue of the university fitting in with the external environment, but revolves around whether leaders at the university believed the university had leveraged that fit to improve further its status or not. In short, the second

sensemaking dilemma is about whether the university had seized or missed the opportunity of fit. For example, interviewees argued that UniA's edgy and tolerant culture enabled students and faculty to freely and openly interact with each other. Then, such level of connectedness among members of the university was leveraged by the interdisciplinary model of the university, as it enabled people from different disciplines to work with each other. Eventually, the interdisciplinary model was an asset itself, which allowed the university to continue improving its status.

Third, and finally, interviewees made sense of UniA's competitive advantage by comparing the university against a frame of reference consisting of the ancient and most prestigious English universities. In other words, the third competitive advantage sensemaking dilemma is about gold standard universities against which the status of UniA could be compared. These gold standard universities form a sort of frame of reference that generates an archetype to UniA leaders regarding how does the ideal university looks like, and how does UniA compere to the ideal. Thus, for interviewees, competitive advantage was not just about assessing environmental fit and opportunity seizing, but also about comparing their assessments against the ancient and prestigious universities. For example, most interviewees considered that UniA's capacity to attract students and staff that could have gone to ancient English universities illustrated the high status of UniA during the Robbins Stage. In short, as part of leader's sensemaking of their competitive environment, beyond their strategic group (i.e. the group of their close competitors) they also had a subjective account on which universities were the leading universities across the whole higher education sector. As it is usually the case in higher education, these group of top universities was formed by old universities that possess long-

standing reputations. The latter would be what some interviewees called the gold standard in English higher education, and it includes universities such as, for example, Cambridge.

The Thatcher Stage showed a similar competitive advantage sensemaking around the core dilemmas. Interestingly, all interviewees agreed that UniA lost its competitive advantage in this stage, although when it came to making sense of competitive disadvantage interviewees did not use a frame of reference. However, interviewees did make sense of the loss of competitive advantage in terms of environmental fit, or in this case, environmental misfit. For most interviewees, UniA became locked into an edgy, activist, and left-wing culture that was no longer relevant in the right-wing, pro-market and competitive Thatcherite environment. Finally, missing opportunities was also consistently highlighted. Here, missing opportunities would represent the antithesis of what originally was referred to as seizing opportunities during the Robbins Stage. Therefore, interviewees made sense of the loss of competitive advantage by arguing that the university became self-complacent and isolated, and that nobody did much to try to change that. Interviewees' sensemaking of UniA's competitive advantage is summarized in Table 1.

[Please Insert Table 1 here]

For UniB the story is almost diametrically opposed, although the same three sensemaking dilemmas describe interviewees' competitive advantage sensemaking. During the Robbins Stage interviewees perceived the university as having competitive disadvantage. Again, for the case of disadvantage, interviewees did not use a frame of reference. Environmental fit was a key factor in making sense of the lack of competitive advantage. Most interviewees acknowledged that the culture that enabled UniA to fit in with the 1960s and thrive during the Robbins Stage, was basically inexistent at UniB. By contrast, interviewees mentioned that the industry oriented

culture at UniB was a misfit with the Robbins Stage. Moreover, interviewees mentioned that the university did not want to take the opportunity, for example, of an interdisciplinary model, which had been widely successful at UniA. All of this contributed to a non-optimum status, including protests and discontent among students and staff.

The Thatcher Stage changed everything for UniB. Interviewees agreed on UniB's competitive advantage during this stage. Furthermore, interviewees made sense of such competitive advantage arguing that the university's enterprising and industry oriented culture fitted in with the new competitive, industry oriented, and neoliberal Thatcherite external environment. However, interviewees did not see competitive advantage as solely the consequence of environmental fit, but also as a consequence of university leaders' capacity to seize the opportunity of fit. For example, interviewees described a highly proactive entrepreneurial intent and culture that went far beyond the inherited industry oriented ethos. This, for most interviewees, evidenced the university's capacity to seize the opportunity of environmental fit. Finally, for the Thatcher Stage all interviewees again justified the assessed competitive advantage by using a group of prestigious and ancient English universities as a frame of reference. The most quoted example was that a cross culture had developed between UniB and a very prestigious older English university. Such cross culture was illustrated by the exchange of staff and students. Interviewees' sensemaking of UniB's competitive advantage is summarized in Table 2.

[Please insert Table 2 here]

A final important finding relates only to UniA. Some interviewees at UniA frequently and consistently talked about the current status of UniA. They argued that since the mid2000s a new leadership team had come to the university to change the deteriorating trajectory of the

university. One interviewee said of the current university President that he was '…a wakeup call'. The interesting point here is that interviewees, including some who are members of this new leadership team, made sense of the current strategy of the university based on their accounts on past competitive advantage. For example, most interviewees argued that UniA's interdisciplinary model was a key factor in the university's competitive advantage during the Robbins Stage. Analogously, most said that currently UniA could improve its status because its new strategy is reviving some of the old sources of success, including especially the interdisciplinary model. For instance, someone said '…we are going back to the same concept of interdisciplinarity in the same way it was conceived in the 60s'. While another interviewee remarked that a current model of cross-disciplinary research themes was reviving the interdisciplinary ethos that characterized the early success of the university. This finding is limited because it only applies to UniA. Interviewees at UniB did not want to talk much about the current status of the university. However, this final finding on UniA is relevant because it illustrates that sensemaking of the present or future '...make[s] sense in a way that relates to previous understanding and experience' (Gioia *et al.*, 1994, 365).

Conclusion

As marketization in higher education in many countries has become imminent, it is important to understand what market constructs in higher education mean and what they entail for people who must work with and respond to them (Clark, 1983; Etzkowitz *et al.*, 2000; Horta, 2009; Marginson, 2013). In this paper, I have particularly focused on how university leaders might be making sense of the cornerstone market construct of competitive advantage (Hamel and Prahalad, 2005; Miles and Snow, 1984). However, as it was here discussed, competitive

advantage is difficult to define and measure, especially in the case of universities. So, the subjective sense that leaders' make of this key construct is of utmost importance, especially considering that university leaders' competitive advantage sensemaking could have profound consequences for future decisions taken at universities. Therefore, an important question is, how do university leaders make sense of competitive advantage?

In this paper, this question was approached by using the cases of two young English universities, which have for long been close competitors. Particularly, the findings have illustrated the value of approaching competitive advantage through Porac *et al.'s* cognitive communities approach (1989), where competition is seen not through an absolute frame, but through subjectivist perspectives that take into account the sensemaking processes that various actors go through as part of their relating to their external environment (Hodgkinson, 1997). Specifically, this approach has shown us how important university leaders' competitive advantage sensemaking could be, as it allows them to survive in complex and ambiguous environments by 'somehow cut[ting] through this ambiguity and frame a competitive arena by classifying and simplifying the diversity of… [universities] known to exist' (Porac *et al.*, 1989, 406).

In addition, I have further developed this subjectivist approach to competitive advantage, by suggesting that university leaders' competitive advantage sensemaking could be described as revolving around at least three sensemaking dilemmas. The first dilemma is about a subjective assessment of environmental fit or misfit (Miles and Snow, 1984). The second dilemma is about a subjective assessment of whether past leaders seized the opportunities of fit or avoided the threats of misfit. Finally, the third dilemma is about finding a frame of reference (Day and Nedungadi, 1994) that allows leaders to determine whether competitive advantage was achieved

by comparing their standing against those they believe are the leading universities. Thus, it was illustrated that theoretical conceptions of environmental fit/misfit promoted by outstanding intellectuals of strategy such as Freeman (2013), are not only theoretically valuable but also practically worthy, as university leaders use such tools to make sense of competitive advantage. Additionally, findings illustrated that university leaders' sense of their universities relative standing against a gold standard, was their main guideline regarding competitive advantage, but that when it came to competitive disadvantage they were harsher, as they presumably assessed it based on possible normative beliefs independent of competitors. Finally, the findings showed us how the value of competitive advantage retrospective accounts possibly lies in their implications for ongoing and prospective sensemaking (Maitlis and Christianson, 2014).

In conclusion, we can learn a lot about the implications of neoliberal policies by exploring their impact on the ways of thinking of various actors in higher education. As much has been said about students' and staff's reactions to neoliberalism, this paper has focused, by contrast, on university leaders, and particularly on their way of making sense of one the most central constructs of marketization: competitive advantage. It is impressive to witness how the leaders of a sector–higher education–that once allegedly prided itself from being detached of mundane market principles, now blatantly thinks and considers the market ethos, as to even construct convoluted interpretations of how competition works in the sector.

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