REICHERT CONSULTING

POLICY & STRATEGY DEVELOPMENT IN HIGHER EDUCATION

# *Do we face a new landscape for higher education in the future?*

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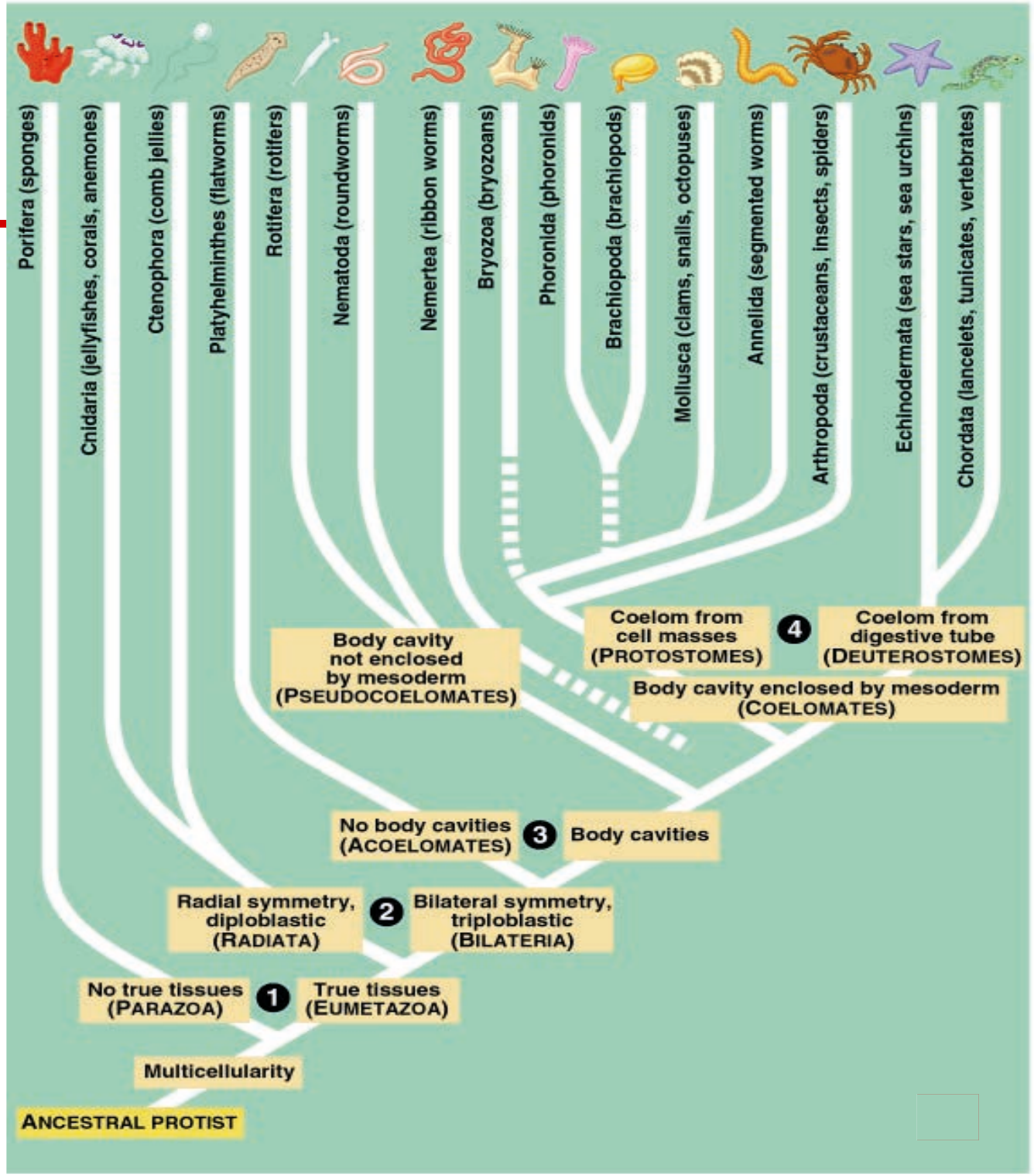
# Yes we do…

# Three Key Trends and Challenges:

1. Diversification in higher education
2. Privatisation of public higher education
3. Individualisation: competences and flexible learning paths for global working environments

# 1. Diversification in higher education

# Diversity and Differentiation – biological metaphors for system sophistication



# Great Expectations: Universities should…

- educate graduates to be critically minded, innovative, analytical, internationally adept, with good communication and team skills
- train and retrain people of different backgrounds and qualifications for diverse working contexts/ levels / life phases
- produce frontier research to compete internationally for best qualified researchers and research funds and help market knowledge environment to attract foreign investment
- produce applied research of relevance for regional and national innovation
- solve global environmental, technical, economic, social problems (climate, energy, hunger, health, mobility, access)

# Institutional Diversity as a Key HE Policy Issue

- Driven by massification of HE: widening participation ⇨ diversifying student profiles, diverging institutional profiles
- More students = less money per student ⇨ declining quality of higher education
- Additional HE functions (innovation, CE) have gained importance, demands for support of these functions as motors of knowledge economy

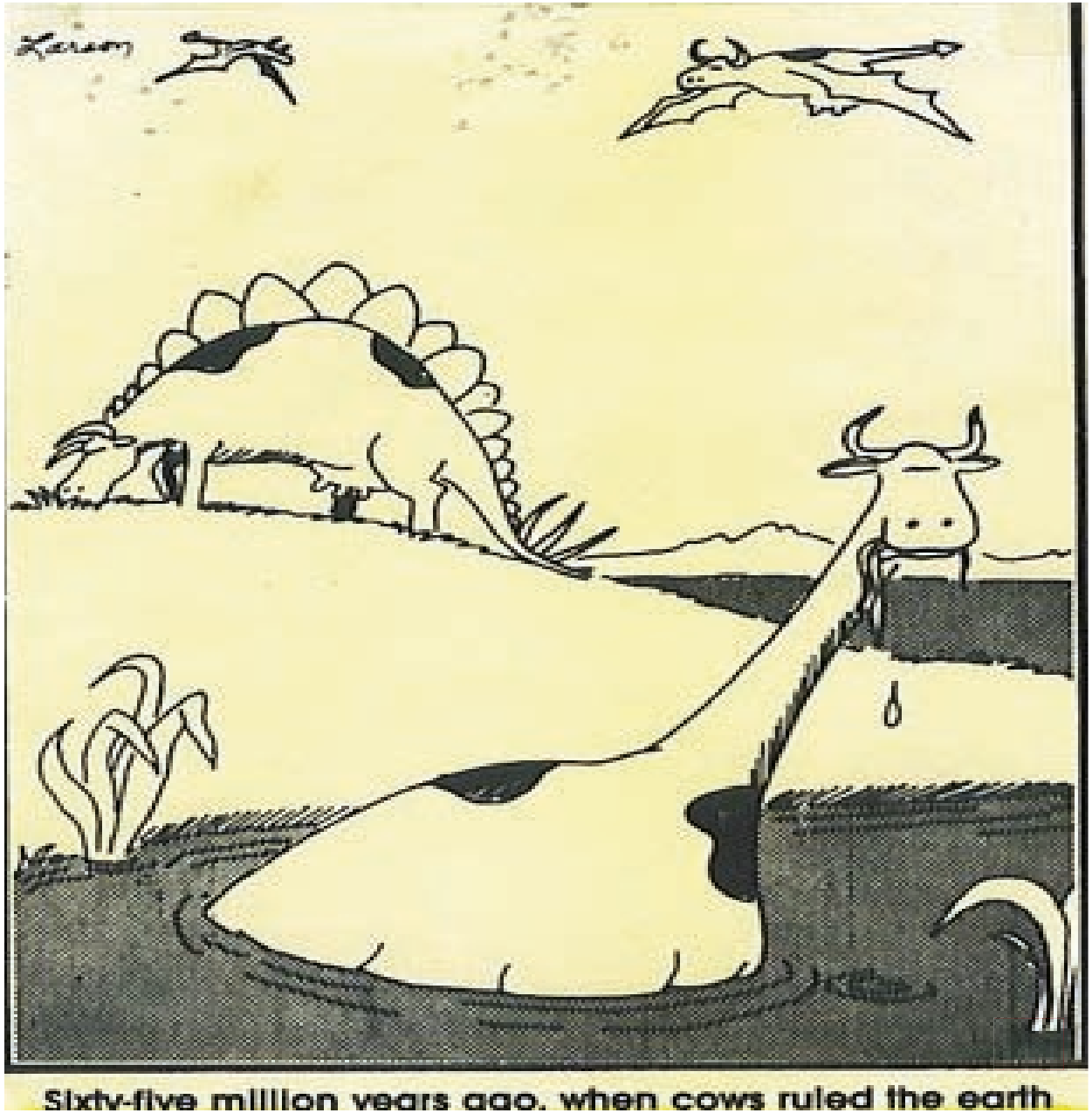
⇨ demands for "concentration of excellence" because of limited public funds for international competition -- concentration of resources on competitive research universities

⇨ Diversified missions – mission stretch or overload? Questions of institutional coherence, efficiency, effectiveness, visibility –

⇨ Demand for diversity of institutional profiles (external diversity) to optimise capacity to address diverse needs and stakeholders

# Institutional diversity in European HE is much greater than we think.

Mission mixes are greater than we think among institutions of the same regulatory type (“university”, “Fachhochschule” “University College”). The difference between dual systems and integrated systems is not as large as one thinks.



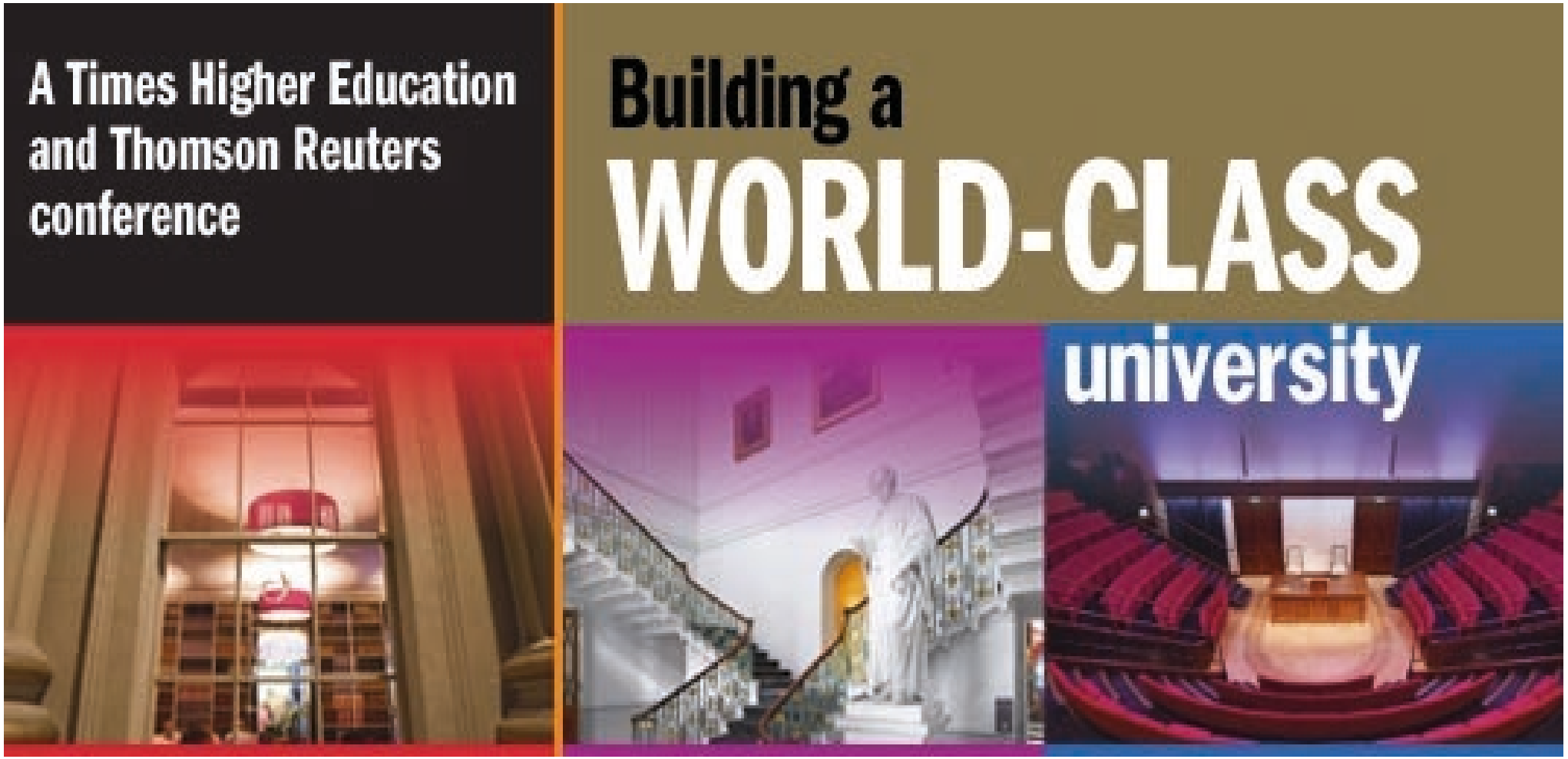
# Some mission correlations

- Between finding basic research a vital part of mission and:
  - Research training for academia 75% ( + 28%)
  - **Applied research 64% (+10%)**
  - Research training for industry 41% (+ 15%)
  - Business innovation 39% (+7%)
- Between teaching and LLL a vital part of mission and:
  - **Applied research 76% (+ 24%)**
  - Business innovation 52% (+ 21%)
  - Addressing other societal challenges 50% (+23%)
  - Having innovative teaching approaches more often as decisive criteria for promotion (+ 28% = 61%)
- The differentiating feature between different groups of institutions is not the balance between “research-oriented“ vs. “teaching-oriented“ but the balance between basic research vs. teaching ! Applied research is being highly valued at most institutions.

# Vertical or horizontal differentiation

- Vertical differentiation = hierarchy of values for different dimensions of HE activities, different mixes among institutions Horizontal differentiation= parity of esteem
- England: Internally conflicted case of vertical diff: explicit diversity policy but strong emphasis on research quality and volume in funding differentiation
- France: shift from professional excellence to research as principle of vertical differentiation in elite part of system
- Norway: Traditionally more horizontally differentiated (strong emphasis on regional diversity) becoming more vertically differentiated along research performance measures
- Switzerland: values, laws, funding and regional influences support more horizontal differentiation (high level vocational/ professional training highly regarded)
- Slovak Rep.: vertical differentiation through inst. typology

# The Ranking Business – driving vertical differentiation



# Vertical differentiation: Obsession with performance in league tables

- Global competition of HEI for researchers and research funds is driving vertical differentiation in many HE systems.
- Research-based performance measuring criteria, size-dependent,
- Highly stratified systems do better in the top 50 than less stratified ones
- In spite of conscious policy choices in the past continental Europe does not like its clustering in the middle (US has fewer HEI in the 500 than Europe)
- Mobile students and researchers, investment need easily accessible comparative data to facilitate choices

# International influences more convergent
# Regional influences more diversifying

- International orientation strengthens focus on basic research and concentration of excellence, pushing vertical differentiation (but also stresses new functions), while regional orientation usually helps functional and horizontal differentiation.
- International orientation promotes particular kind of research, regional orientation more diverse types of research.
- Regional support for diverse clienteles, diverse needs, diverse types of research, business innovation, LLL (E, F, CH) and for cooperative structures

# Staff Diversity -- Conflicting Expectations
# A University Academic should be:

- An international expert in his/her field, highly specialised
- Able and willing to connect with other fields and disciplines
- Willing to compete with international colleagues working 14 hours a day, 7 days a week
- Regularly and uninterruptedly productive
- A good team worker and networker, within science and with external stakeholders
- A good communicator, aware of the concerns of the extra-university world
- A good teacher and learning coach, paying attention to the diverse individual needs, connecting diverse backgrounds into interactive learning environments

# Staff Diversity

- Diversity of academic and professional experience and diversity of functions important to most institutions -- functional differentiation easier to address in formally differentiated systems (CH, N: different contracts, career advancement criteria etc.)
- Gender more often a priority than for students (40%) but not as criterion for hiring
- Diversity of ethnic or national background rarely addressed
- National career structures have mainstreaming effect even if institutional missions suggest diverse staff orientation (and academic values would support diversity)
- Institutional reward structures adapt to national career patterns rather than institutional missions

# Reward structures promote research orientation

- Internal resource allocation rarely reflects mission mixes.
- Only mild reflection of mission mixes in hiring and promotion criteria: Research decisive most often (50% - 60%), teaching second (35% - 42%), then long gap, internat. experience imp. but rarely decisive (13-17%)
- All other functions rarely decisive for hiring or promotion (innovation often found important)
- CE, social engagement and institutional management most often found unimportant for promotion (by 36% - 39%)
- Exceptions: More teaching and CE in career profiles & rewards in CH, N

# Academic values research- dominated but not homogeneous

- Mainstreaming (converging) effect reflected in hiring and promotion criteria and informal recognition of each others‘ performance -- increasingly dominated by international research performance indicators. But values are not as homogeneous as is often suggested:
  - At institutions where both teaching and CE are vital parts of mission, teaching is valued strongly by 70% of HEI (rather than 56%), applied research valued strongly by 65%, but basic research valued strongly by only 35% (vs. 62% average).
  - identification with the professional community linked to the field is stronger than with the scientific community (only 56%) while at „basic research-intense“ institutions, academics identify most strongly with the scientific community (80% i.e. 18% more than average)
- Career structures and perception of career opportunities, as well as financial incentives, are more often convergence forces than the academics‘ personal values. (Diversifying potential)

# Challenges of Institutional Diversity

- Diversity of institutional profiles valued but can be associated with fragmentation, lack of transparency for students and stakeholders and lack of efficiency
- positive if linked to dense cooperation and flexible transitions: between complementary institutions or institutional types. (CH: „Passerelles“ & „Permeability“, F: PRES „regroupement territorial“, N: associations between univ. & UC, Engl: Links betw. Foundation degrees in FE and HEI)
- Valued explicitly but undermined implicitly through funding and accreditation/ quality assurance

# Conflicting forces between:

- National career structures and institutional missions /diversifying values
- National policies sound more diversity-aware while national funding more convergence-oriented
- National funding schemes (indicators) and institutional mission diversity (options of different indicator mixes would promote diversity more)
- National and institutional preferences
- Institutional missions and reward  structures
- Institutional leadership and academics

# External vs. internal diversity?

- Mission mixes and institutional orientations diverge considerably within institutions. -- In many HE systems internal diversity is greater than external diversity.
- Internal diversity often accepted as response to diverse needs. Not necessarily problematic (Mission mixes, functionally differentiated staff).
- Different degrees of internal diversity allowed between countries, between institutional types.
- Emphasis on cooperation/ consortia increases internal diversity.
- External diversity preferred (better visibility, easier marketing) by well-positioned institutions.
- Different levels of tolerance to qualitative diversity and diversity of student qualifications.

# Challenges for Policy Makers

- Not explicit diversity policies but the confluence of implicit forces (regulations, financial incentives, rewards, quality standards, acad. and prof. values) is decisive.
- The quest for flexible and diverse HE systems will have to confront the whole complexity of forces, designing
  - Diverse funding regimes (performance indicators, grant schemes)
  - Accreditation criteria
  - Fit-for-purpose quality assurance
  - Diverse concepts and rewards of excellence
  - Diverse academic career paths (hiring and promotion criteria)

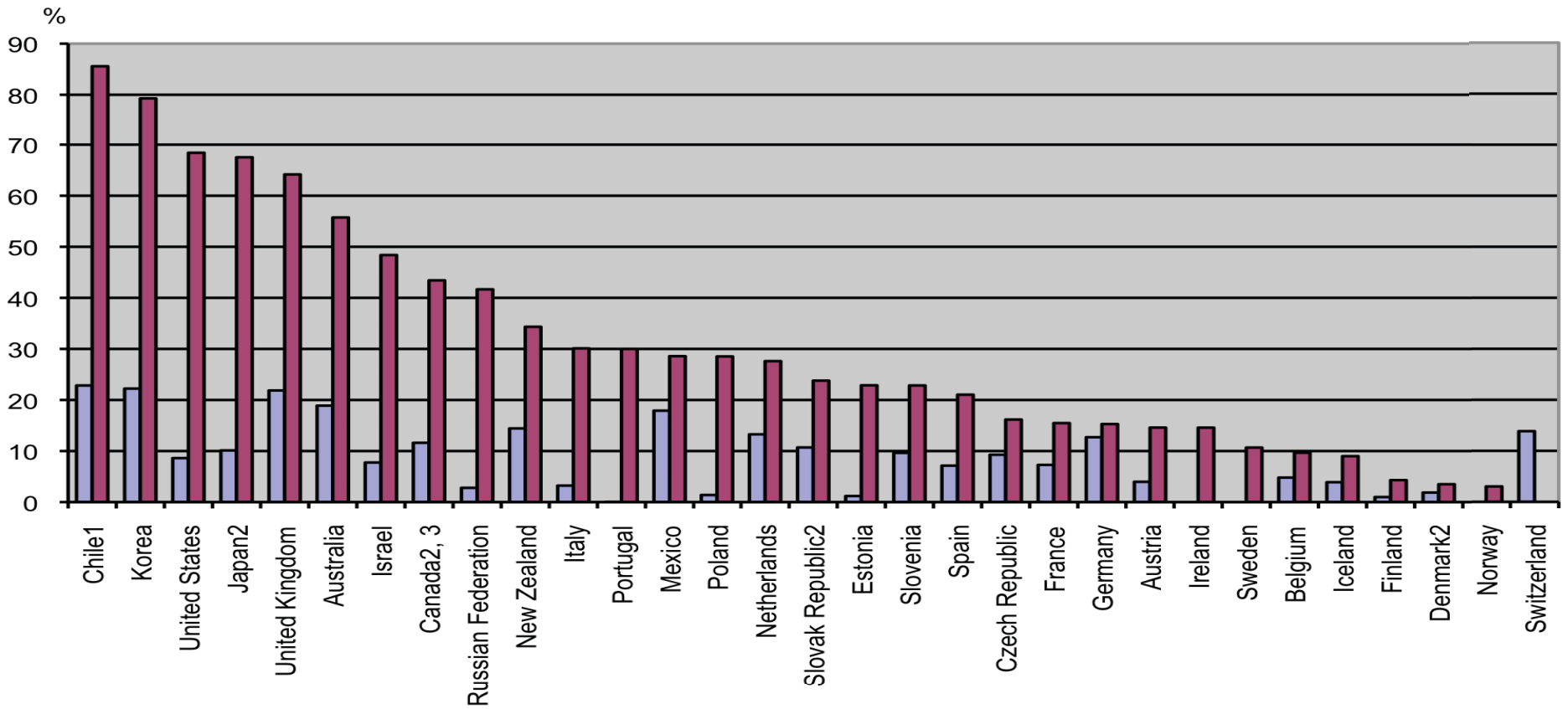
# Challenges for Heads of Institutions

- Design a system of rewards that reflects the institutional mission and desired internal diversity, including hiring processes
- Ensure that quality assurance does not ignore any dimension in which your institution strives for excellence
- Create symbolic rewards, an institutional culture of recognition for diverse forms of innovation, creativity and success
- Contribute to national policy making regarding career paths and flexible contracts
- Ensure that research training prepares graduates for multiple career paths
- Leave free spaces for people who do not quite fit in

# 2. Growing privatisation of higher education

# Share of private expenditure on HE institutions

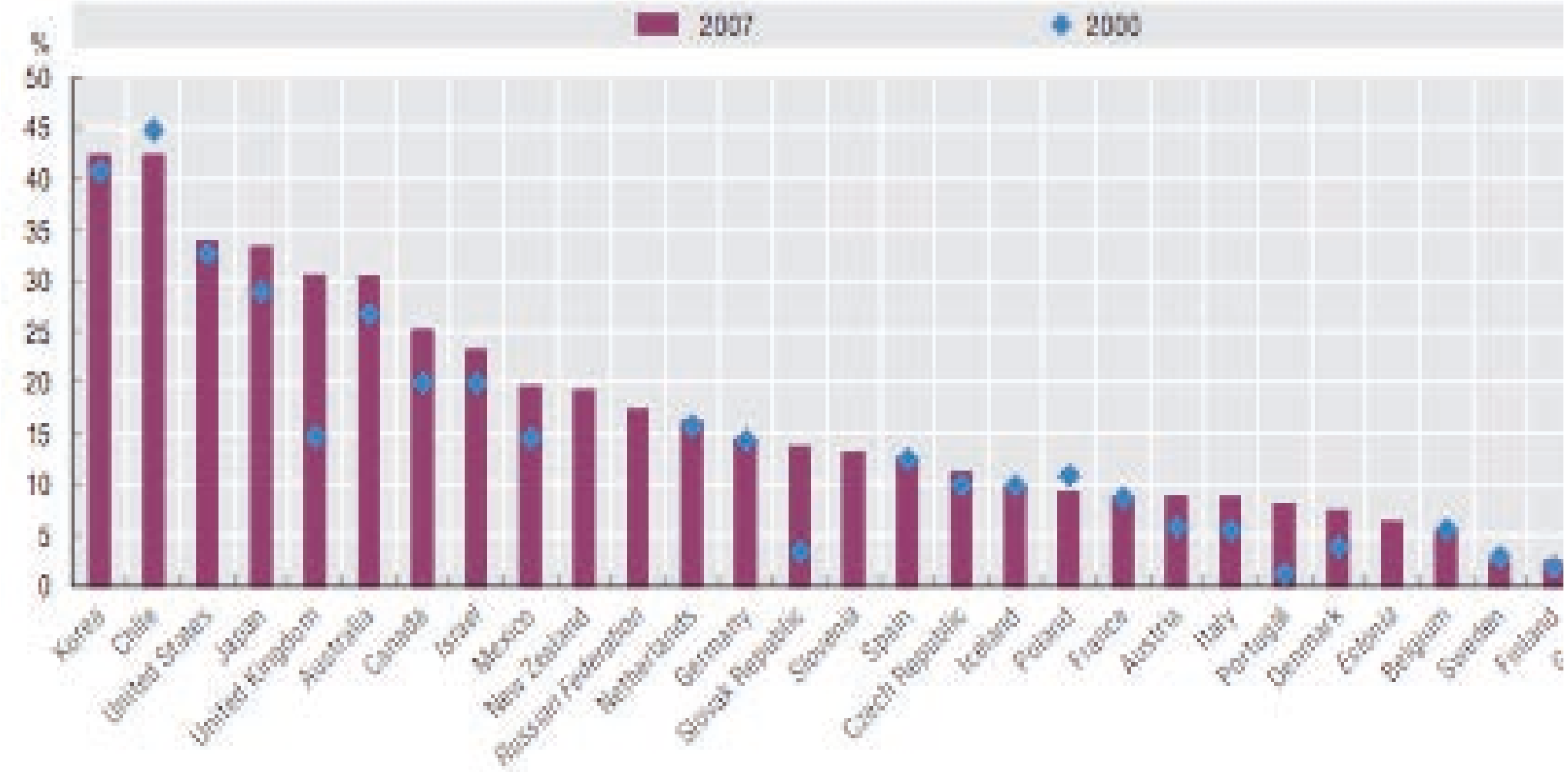
On average in OECD countries over 90% of primary, secondary and post-secondary non-tertiary education, and never less than 80% (except in Chile, Korea and the United Kingdom), is paid for publicly. However, in tertiary education the proportion funded privately varies widely, from less than 5% in Denmark, Finland and Norway, to more than 40% in Australia, Canada, Japan, the United Kingdom, the United States and the partner countries Israel and the Russian Federation, and to over 75% in Chile and Korea. As in the case of tertiary graduation and entry rates, the proportion of private funding may be affected by the presence of international students, who represent a relatively high proportion in Australia and New Zealand.




1. Year of reference 2008.
2. Some levels of education are included with others. Refer to “x” code in Table B1.1a for details.

Figure 3.9. **Trends in share of private expenditure (2000, 2007)**

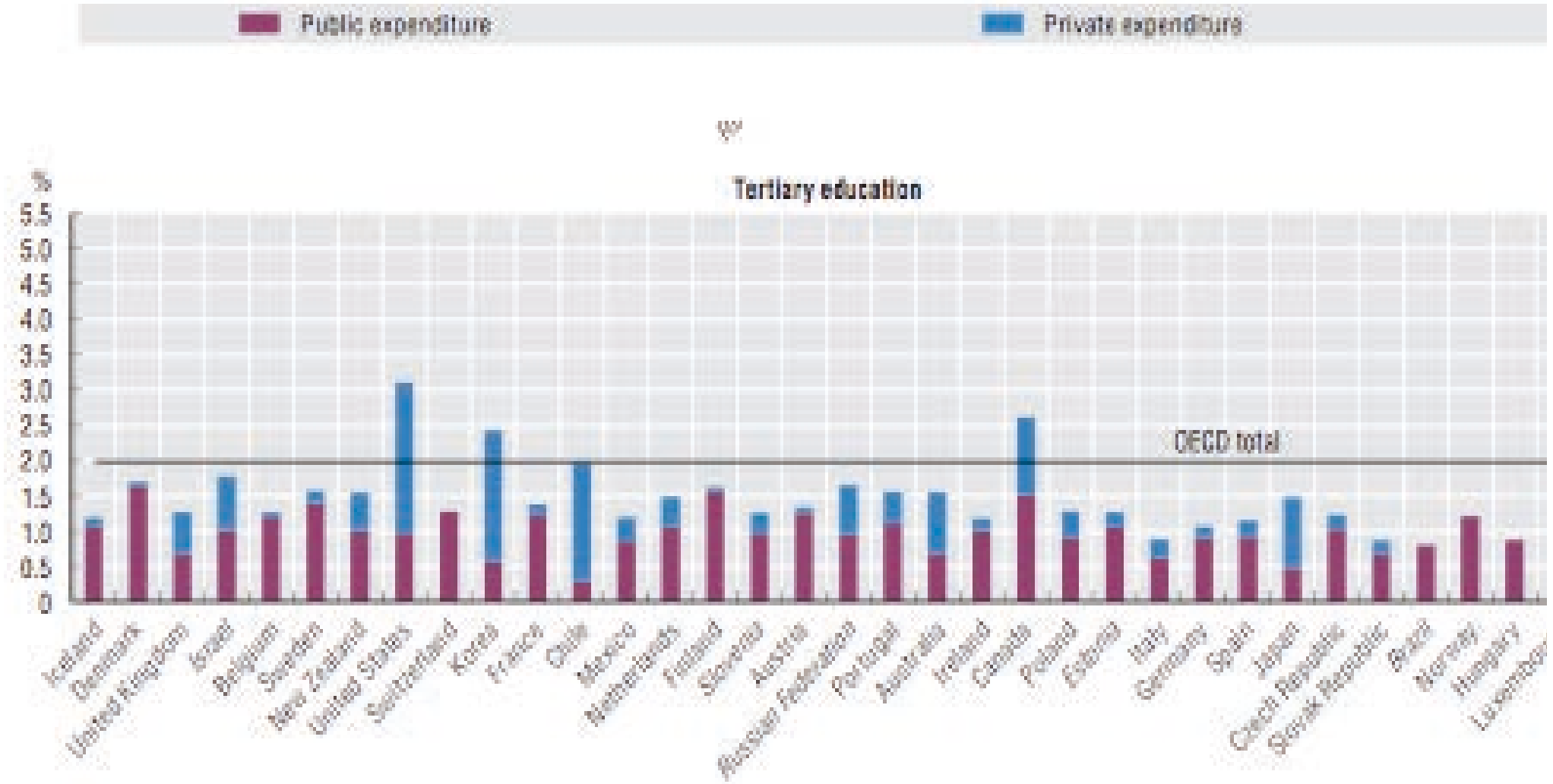
*This figure shows the increase – or otherwise – in private spending as a percentage of total expenditure on all levels o from 2000 to 2007.*




Source: OECD (2010), *Education at a Glance 2010*, Table B3.1, available at http://dx.doi.org/10.1787/888932310320.

Figure 3.5. **Expenditure as a percentage of GDP, 2007**

*These figures show the share of national income – both public and private – devoted to each level of education.*




Source: OECD (2010), Education at a Glance 2010, Table B2.4, available at http://dx.doi.org/10.1787/888932310301.

# Privatisation through multiple channels

- Tuition (private person contribution), especially for int. stud. & CE
- Private sector support for research (e.g. chemical, medical research, engineering)
- Private-public partnerships: shared infrastructures etc. privately financed institutes, chairs, programmes
- Alumni and other donations (foundations)
- Stakeholder influence (often representatives from orivate sector companies) in boards

⇨ equitable access? Higher participation rates?

⇨ less quality control in education

⇨ researchers‘ conflict of interest for privately funded research

⇨ biased, suppressed, misrepresented results

⇨ research results and tools restricted (securing IP) – constriction of open science, public access diminished, reduced spill-over benefits to society

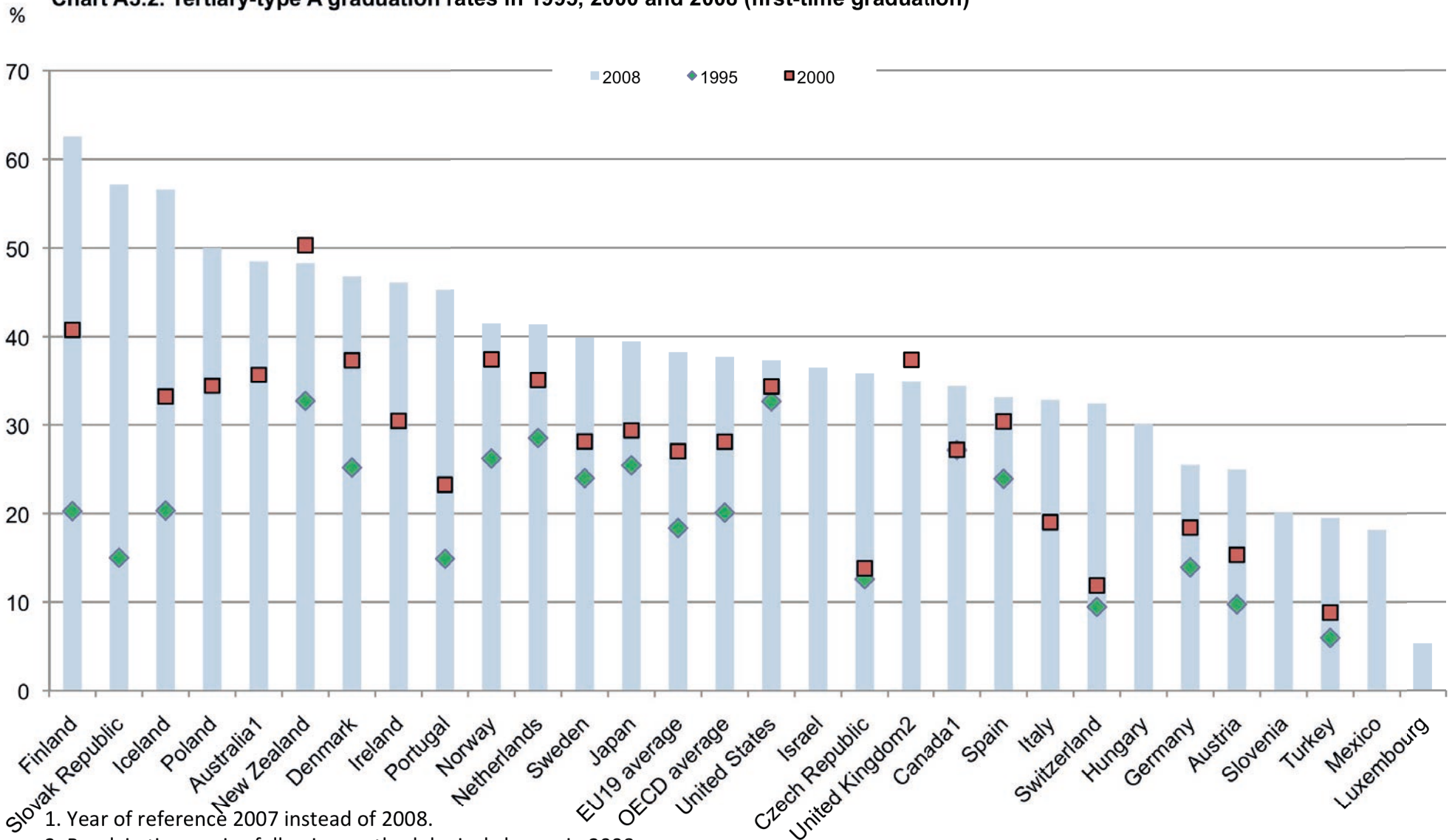
⇨ more short-term perspectives

⇨ fewer high-risk projects with unplannable results, less ground-breaking science

# 3. Individualisation – diversification of learning profiles

# Rising participation rates

**Chart A3.2. Tertiary-type A graduation rates in 1995, 2000 and 2008 (first-time graduation)**

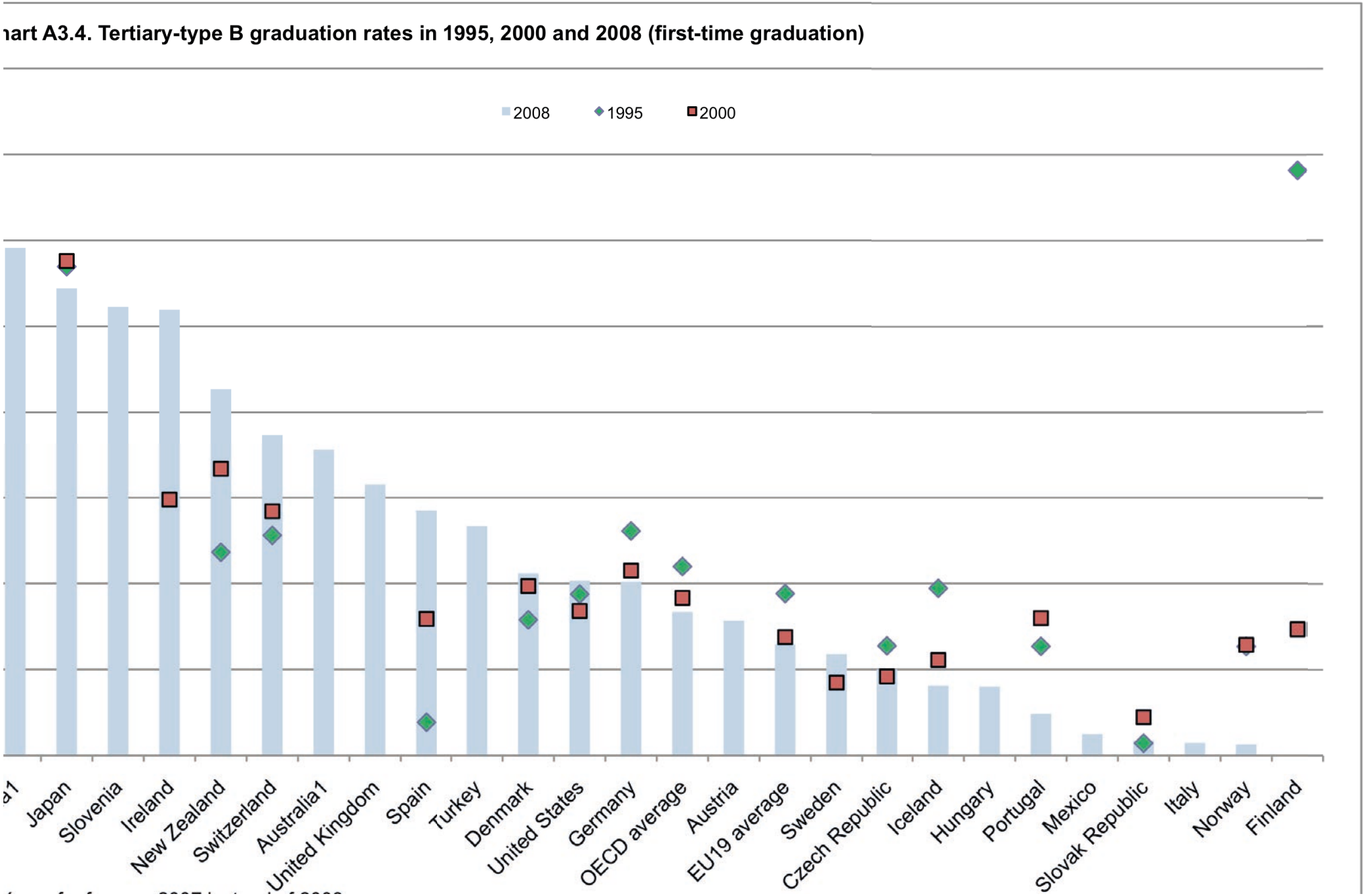



1. Year of reference 2007 instead of 2008.
2. Break in time series following methodological change in 2008.

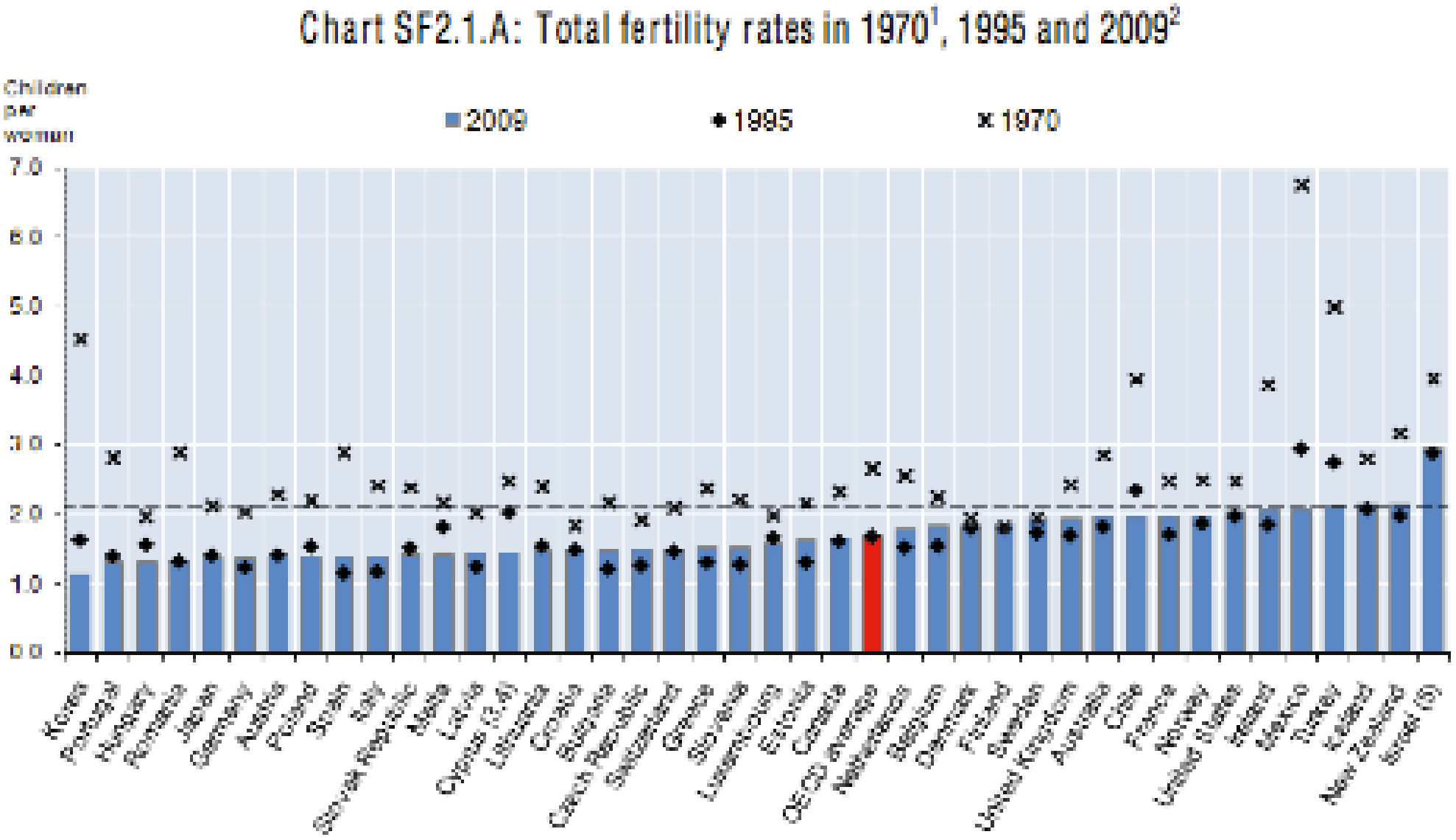
*Countries are ranked in descending order of the graduation rates for tertiary-type A education in 2008.*

*Source:* OECD. Table A3.2 . See Annex 3 for notes (*www.oecd.org/edu/eag2010*).

# Expansion less strong in Tertiary B



# Demographic Decline – where do we get qualified labour force?

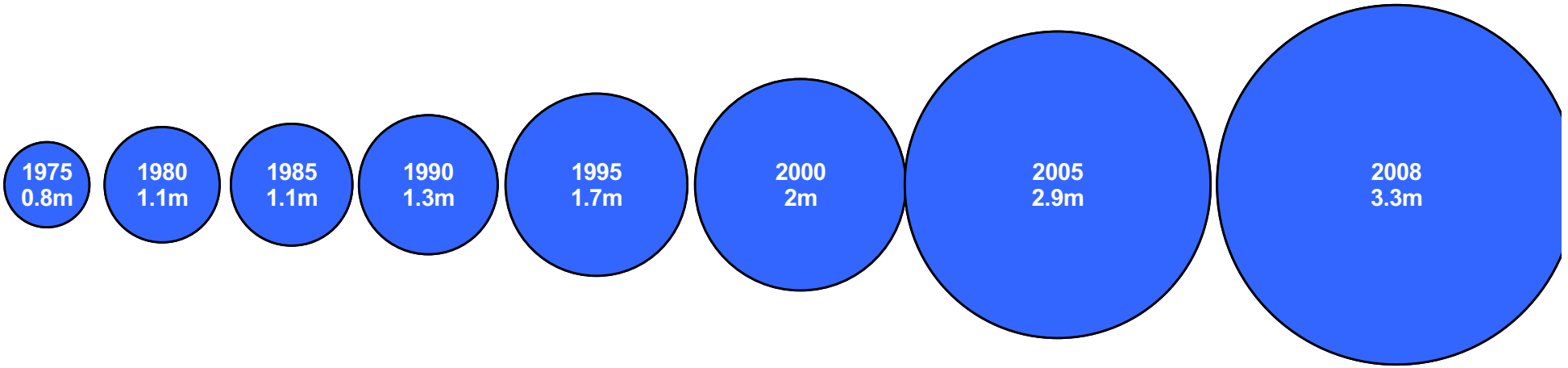



Source: OECD

# From international students?

**Box C2.1. Long-term growth in the number of students enrolled outside their country of citizenship**

Growth in internationalisation of tertiary education (1975-2008, in millions)



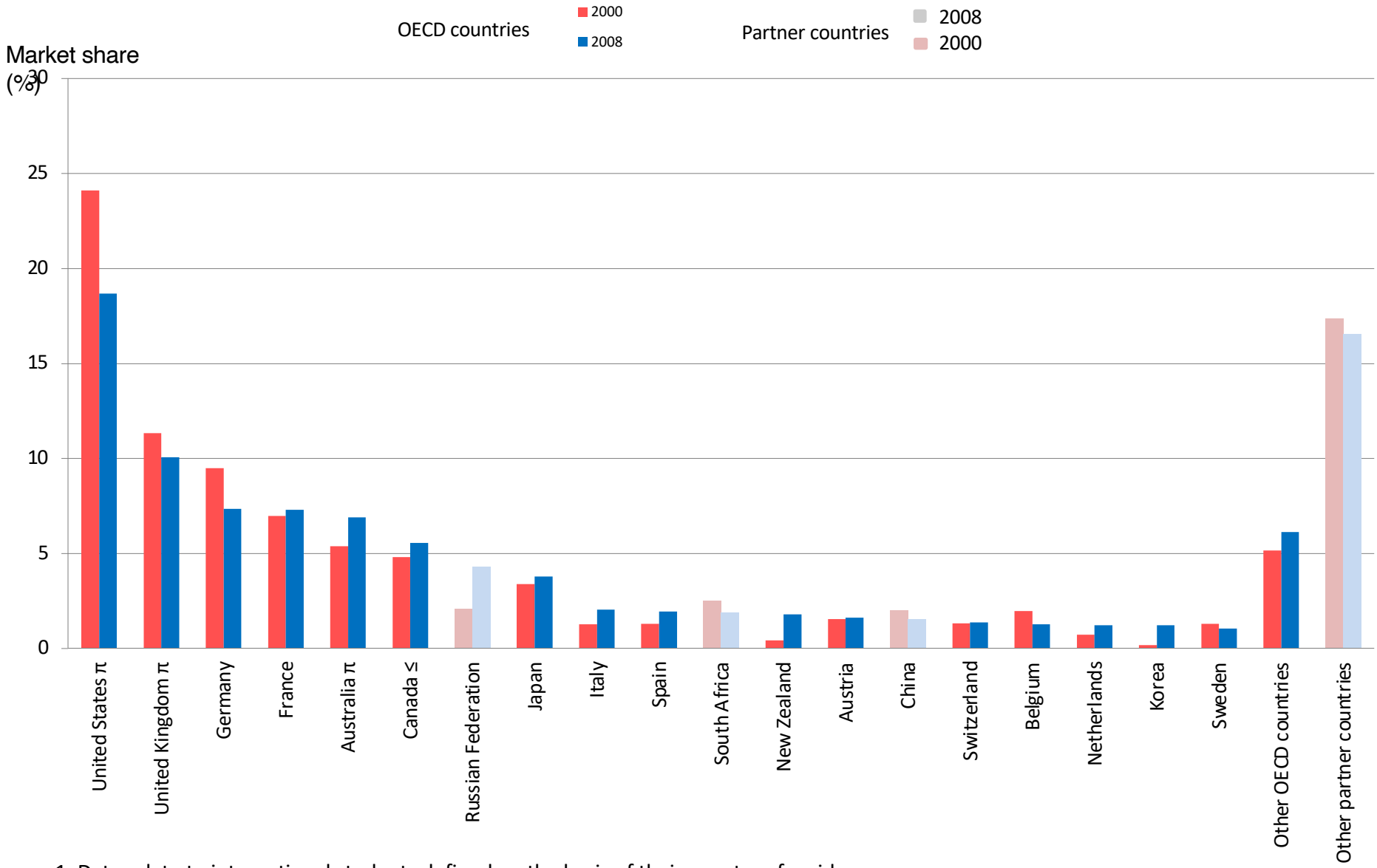

*Source:* OECD and UNESCO Institute for Statistics.

Data on foreign enrolment worldwide comes from both the OECD and the UNESCO Institute for Statistics (UIS). UIS provided the data on all countries for 1975-95 and most of the partner countries for 2000, 2005 and 2008. The OECD provided the data on OECD countries and the other partner economies in 2000, 2005 and 2008. Both sources use similar definitions, thus making their combination possible. Missing data were imputed with the closest data reports to ensure that breaks in data coverage do not result in breaks in time series.

# Competitive Market!

**Chart C2.3. Trends in international education market shares (2000, 2008)**

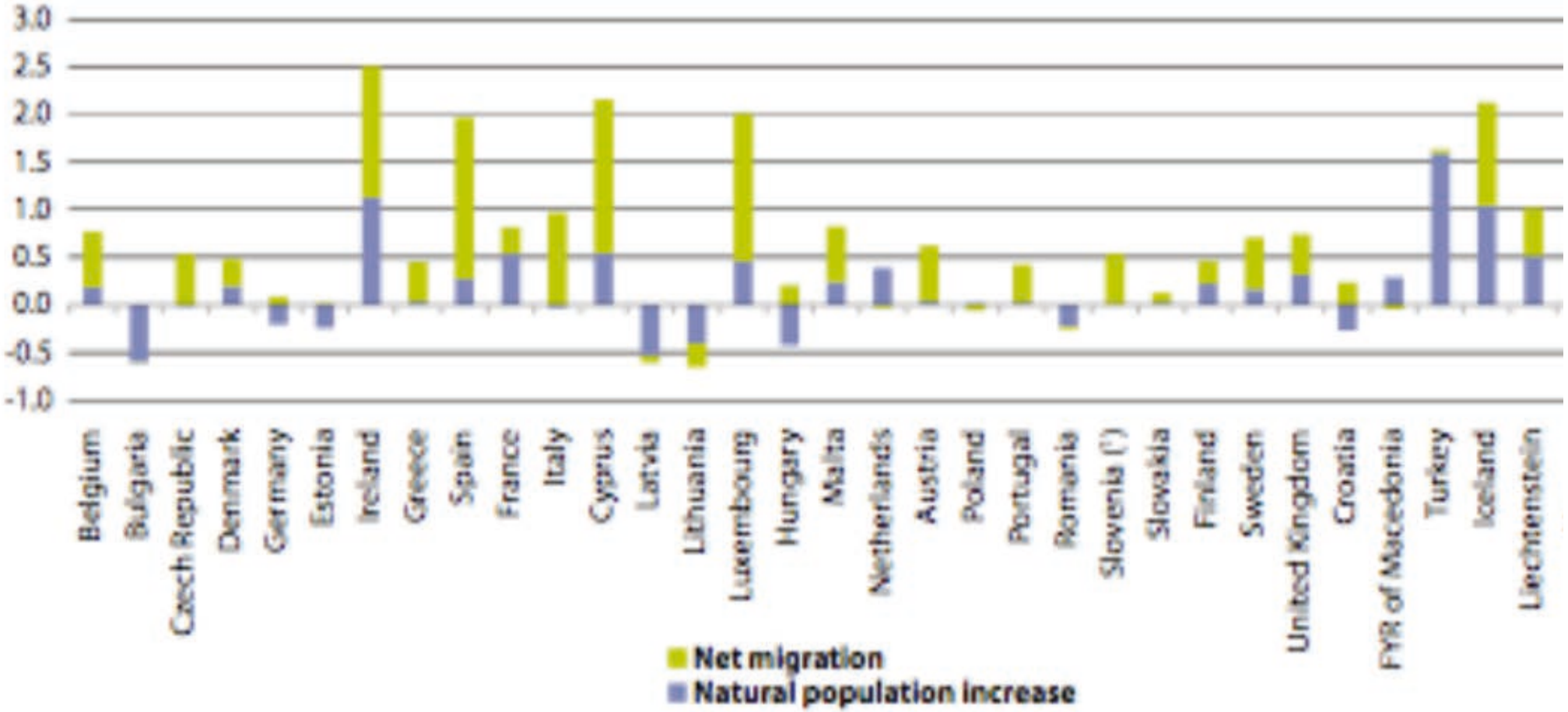
*Percentage of all foreign tertiary students enrolled, by destination*




1. Data relate to international students defined on the basis of their country of residence.
2. Year of reference 2007.

# Net migration rather than natural population increase – implications for higher education

**Figure 2.14:** Net migration (including corrections) and natural population change, 2003-2008 (average annual change, %)




(1) Break in series, 2008.

| | Total | | Male | | Female | |
|---|---|---|---|---|---|---|
| | 2003 | 2008 | 2003 | 2008 | 2003 | 2008 |
| EU-27 | 8.5 | 9.6 | 7.9 | 8.7 | 9.1 | 10.4 |
| Euro area (*) | 6.5 | 8.5 | 6.4 | 8.7 | 6.6 | 8.8 |
| Belgium | 7.0 | 6.8 | 7.0 | 6.4 | 6.9 | 7.2 |
| Bulgaria | 1.3 | 1.4 | 1.1 | 1.3 | 1.4 | 1.5 |
| Czech Republic | 5.1 | 7.8 | 4.8 | 7.7 | 5.4 | 7.9 |
| Denmark | 24.2 | 30.2 | 21.0 | 25.0 | 27.4 | 35.5 |
| Germany | 6.0 | 7.9 | 6.4 | 8.0 | 5.6 | 7.8 |
| Estonia | 6.7 | 9.8 | 5.0 | 6.6 | 8.2 | 12.6 |
| Ireland | 5.9 | 10.2 | 5.1 | 8.7 | 6.8 | 11.7 |
| Greece | 2.6 | 2.9 | 2.6 | 2.8 | 2.7 | 3.1 |
| Spain | 4.7 | 10.4 | 4.3 | 9.5 | 5.1 | 11.3 |
| France | 7.1 | 7.2 | 7.0 | 6.9 | 7.2 | 7.5 |

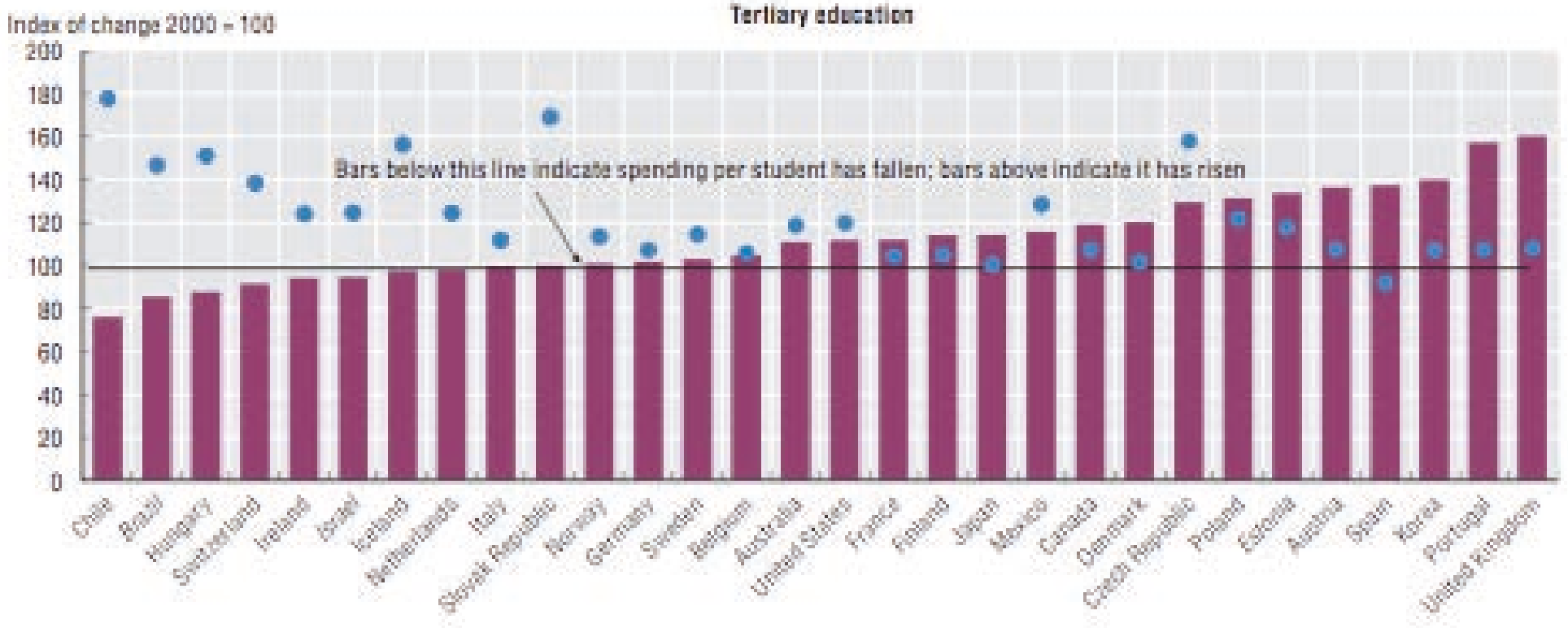
# Lifelong learning (% of the population aged 25 to 64 participating in education / training)

| | | | | | | |
|---|---|---|---|---|---|---|
| Hungary | 4.5 | 3.1 | 4.0 | 2.7 | 4.9 | 3.5 |
| Malta | 4.2 | 6.2 | 4.7 | 6.1 | 3.6 | 6.2 |
| Netherlands | 16.4 | 17.0 | 16.1 | 16.8 | 16.8 | 17.2 |
| Austria | 6.6 | 13.2 | 8.6 | 12.2 | 8.6 | 14.2 |
| Poland | 4.4 | 4.7 | 3.9 | 4.2 | 4.9 | 5.2 |
| Portugal | 3.2 | 5.3 | 3.0 | 5.0 | 3.4 | 5.6 |
| Romania | 1.1 | 1.5 | 1.1 | 1.3 | 1.2 | 1.6 |
| Slovenia | 13.3 | 13.9 | 12.0 | 12.5 | 14.7 | 15.4 |
| Slovakia | 3.7 | 3.3 | 3.5 | 2.6 | 3.9 | 4.0 |
| Finland | 22.4 | 23.1 | 18.6 | 19.3 | 26.2 | 26.9 |
| Sweden (*) | 31.8 | 32.4 | 28.4 | 25.8 | 35.4 | 39.3 |
| United Kingdom (*) | 27.2 | 19.9 | 23.4 | 16.6 | 31.1 | 23.2 |

# Challenges of Student Diversity

- Key concern in the US, not yet fully addressed in Europe -- exceptions most often in England
  - Diversity of socio-economic backgrounds prioritised by only 31%
  - Ethnic diversity rarely addressed or explicitly valued/ thematised
  - Internationally diverse student body only prioritised by 22%
  - Religious background and age diversity rarely an issue
- Diversity of backgrounds not necessarily positive, only if proactively exploited (team composition, projects, services)
- Lifelong learning, flexible learning paths only rarely systematically or strategically addressed, bad student/staff ratios
- Problem with the “elite”: Missed opportunities to redefine the elite and to develop appropriate compensatory measures needed to access and succeed in it.

# More (diverse) students, but not necessarily more money per student




Source: OECD (2010), Education at a Glance 2010, Table B1.5, available at http://dx.doi.org/10.1787/888932310282.