

The Road Ahead

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Introduction

In 2012, tuition fees in England will treble, further changing the relationship between provider and user. This will redefine the *modus operandi* of universities, with much greater emphasis on customer (learner) satisfaction. This will be re-enforced though published league tables, in which student satisfaction will be measured and heavily weighted, thereby materially influencing final rankings. To many this represents the antithesis of the core values of a university and is bound to lead to conflict and confusion since introducing quasi-market economics into the university system creates a new dynamic with many repercussions.

Not only are significant sums now spent on marketing, but also on regulation, compliance, complaints and litigation, all of which absorb academics' time, distracting them from other duties. To counter these trends a more mechanistic approach to assessment and feedback may be emerging, which does not necessarily enhance deep learning and personal development. Furthermore, attending university is now more likely to be an investment decision, whereby the cost of study is weighed against potential future earnings. This in itself creates a different dynamic, influencing subject choice, the perceived value of the brand of the university, and the individual focus on gaining a well classified degree, perhaps at the expense of a more rounded education and experience. Given these changes, do universities know what their primary purpose is?

Questioning the traditional model

Traditionally, individual and organisational inquisitiveness and curiosity have been at the heart of a university's mission. It has been about the hunger and need to find out more and to discover, create or re-interpret knowledge which leads to deeper understanding of our universe which results, sometimes, in the emergence of new ideas and technologies which positively impact on our everyday lives. Arguably, the university system has provided on-going continuity between generations, ensuring that traditional knowledge has been systemically captured, further developed and passed on, to create an ongoing cycle of improvement. This process is underpinned by the principle of academic freedom, a fundamental tenet to ensure that existing knowledge, and its interpretation, can be challenged without fear of retribution on the individual or their host institution. Indeed, this may well be what some, or many, academics currently understand to be the true purpose of a university. This approach and model has an enticing simplicity, but it is anachronistic.

Two fundamental questions need to be asked. The first relates to the principle of the creation and ownership of knowledge. The original university paradigm assumed that it was in and through universities and their academics that significant new knowledge was generated – in terms of both quantum and

importance. In the world in which we now live, corporate research and development budgets dwarf those of most universities. Furthermore, with our modern information infrastructure, access to knowledge is no longer dependent on libraries or other place-based repositories. The complexity and sophistication of our modern knowledge base increasingly necessitates inter-, intra- and cross-disciplinary working, based on newly constructed, often commercially oriented collaborations and partnerships, which in many ways are the antithesis of the domain-based organisational structures that characterise many, if not all, universities today. Furthermore, small businesses now play a very important role in both creating and commercially applying knowledge, and their success is not so much based upon large budgets, but their ability, agility, creativity and innovativeness.

The second question relates to the cost and funding of our university system. It could, and increasingly is, argued that where the state pays for the significant costs of running these fiercely autonomous institutions, albeit indirectly, there has to be a political *quid pro quo*. However, the difference may now be to do with ever-changing government agendas, the speed and unpredictability of change, and their motivation for what might be seen as multi-faceted interference that often lacks consistency and continuity, is ill conceived, incoherent and short sighted, opportunistic and ideologically politically motivated and, at worst, a crude and modern form of gerrymandering and social engineering.

If this is true, then it is little wonder that we struggle to get a clear understanding of what the purpose of a university now is. Universities themselves have to try to make some sense from the ensuing chaos, and significantly, this perhaps further exacerbates the situation. In the UK, their position is made worse by virtue of the fact that on the one hand, they are fiscally and legally autonomous institutions, but on the other, most are overly-dependent on funding sources which, irrespective of the quasi-market, the state controls. They have become opportunistic, often seeking short-term competitive advantage through responding to incentivised initiatives. As a result, universities are increasingly different, and to talk homogeneously of what a university is might be conceptually flawed.

The end of the baby-boomer generation

One of the huge challenges of our time relates to a rapidly aging population, and universities need to become a sustainable part of the solution over the long term. The demographic structure of the developed world is changing rapidly. The post Second World War baby boomer generation is now working its way through, and medical and health care advances now mean that average life expectancy has increased by over 20 years in a 50 year period, from 67 to 87. This is remarkable, and of itself, profound. When added to the ability of families effectively to choose when and indeed whether, to have children, and birth rates falling to less than 1.4 from nearly three in 1945, one can easily anticipate huge economic and social consequences. In the UK, by 2020, the population is projected to grow to 67 million. Those aged over 65, a traditional proxy for retirement, will increase by 33% in this period, taking this sector of traditionally economically inactive groups to 21% of the total population. If life expectancy continues significantly to rise as is predicted, then this percentage will further increase.

In the UK, the Hutton Review has been looking at these very issues and, even before new legislation is developed, state retirement ages have been increased and are likely to rise further still. No longer is there a legal requirement 'to retire' and indeed, statutes have already been passed which legally treat ageism in the same way as discrimination based on race, gender, sexual orientation and disability. This of course is a good thing *per se*, but it changes the fundamental relationship between the ageing person, the state and the employer, and in its wake it will give rise to new needs and requirements – not least the need to

re-skill and up-skill older people for longer. Assuming that developed economies remain dependent on the creation of high value-added goods and services, predicated on knowledge-related infrastructure, then there will be a need to educate older people to a much higher level than is currently the case. This almost infers a philosophical re-adaptation of the rhetoric relating to lifelong education, for the greater good, to the necessity and reality of lifelong learning for lifetime working, whatever that may mean! What is certain is that universities should have a clear part to play in this – indeed, older learners may well become primary markets for them. Currently, however, most are both geared and resourced to educate younger people, and have far less expertise in the andragogy needed to deliver to those who are much older.

Space management

Alongside these challenges are other systemic changes that have a material impact on the affordability and access to our current system, and the medium term sustainability and viability of it. Huge financial investment has and continues to be made in university real estate. The cost per square metre is significant, averaging in the UK over £400 pm² including depreciation charges. Many universities have hundreds of thousands of square metres of space, and therefore an average sized university (150,000 m²) can easily spend £45m per annum on the capital, revenue and debt servicing of this estate. By any standards, this is a huge investment and often represents close to 33% of the turnover of a typical university. With staffing costs running at an average of 55% of turnover, that leaves only 12% to invest in other things, including investment in the power and opportunity provided by new technology. At the very least, this huge and inflexible cost base makes the typical university rigid, in-agile and potentially unresponsive to new demands that need, want and expect demand-led engagement. Clearly, costs need to be viewed in light of utilisation. With high usage, the rationale for the expenditure may be easier to make.

One can debate usage statistics, but given that most universities operate only two academic terms for full-time undergraduates – for most by far the biggest segment of their learning community – which equates to circa 32 weeks of the full calendar year, then one can instantly sense that for a third of the year, much teaching space will probably not be well used. Usage rates of academic staff offices are relatively low (they teach and have other duties that do not require fixed office presence), and ‘void’ spaces, including corridors and rest rooms, compound the inefficiency. Arguably, this may boil down to an average real annualised usage rate of 25% or less. At the very least, questions need to be asked about any return on investment that consumes 33% of turnover and yields a 25% usage rate.

It is hard to see how this is economical or efficient, even if effective when in use. The concept and reality of learning effectiveness itself begs another question – this time a pedagogic one. Is university real estate, and specifically classrooms, lecture theatres, seminar rooms and other learning spaces, designed to meet not only place-based teaching input needs, but also generate creative and effective learning environments? For example, do they have adequate power for students to plug in their laptops, electronic notepads and the array of modern communications tools that we all know they now have? Do they have ubiquitous, fast and reliable wireless connectivity? Are the lines of desks in most classrooms really conducive to participative learning as opposed to more traditional didactic teaching? If we are genuinely moving from ‘sage on the stage’ towards ‘guide on the side’, then it can easily be argued that what we have invested so heavily in is no longer appropriate to create an effective learning environment that develops, nurtures and measures not only knowledge, but a wide variety of skills, competencies, behaviours and mindsets, all of which are increasingly regarded as important employability attributes.

Efficiency, effectiveness and value for money

As public and private finances become tighter over the coming years, as a direct consequence of the impact of the banking crisis and subsequent economic collapse, efficiency, effectiveness and value for money are likely to become more important in all walks of life, not least universities. In the UK, and in many other nations too, learners and beneficiaries, including current and future employers, are likely to have to pay a much bigger proportion of the cost of their own education, from which they derive many benefits both directly and indirectly. Despite government-sponsored funding support packages for tripled fees, it is clear that graduate debt levels will treble from 2012 and this is likely to lead to changed 'consumer behaviour' involving different academic choices, selection and re-prioritisation of choice criteria. Future employment, employability and prospects will be critical to investment decisions, whether we academics like this instrumental approach or not! There is great concern over the impact on those from families with no history of involvement with higher education, who may well be more debt adverse than those who have more income and inclination, to invest this in a university education. Potentially, this could reduce social mobility still further, which politically remains a very sensitive issue. Given the demographic changes already alluded to, this could have profound and negative impact upon the workforce of the future and the knowledge, skills and competencies that will be needed to sustain the knowledge-based economy.

Potentially, this could provide new opportunities for those universities, or indeed other private providers which can deliver a recognised and credible university level award, such as Phoenix, BPP and Kaplan, to think laterally, be more demand-responsive and offer a better value for money proposition to would-be consumers. This is likely to involve more technology-enhanced delivery, less face-to-face campus-based interaction, more work-based and work-related learning, more emphasis on business-related benefits and return on investment, with a short payback period, and less on intrinsic educational value. Potentially it could also involve a greater demand for shorter units of higher level learning, with less constraints imposed around academic coherence, and full degree programmes of study. The ability and flexibility to earn and learn may well become a defining consumer trait. That is not to comment on whether these changes are good or bad, but to indicate that there may well be markets that will pay if such an approach is adopted. Price competitiveness, global competition and comparison will become critical variables in the marketing mix of those providing university qualifications (in the UK), and with current pricing constraints being relaxed and removed, the dynamic of the market place is likely to change significantly. How and whether established universities will be able to respond to this is open to question, and new private providers and indeed companies themselves, are evaluating options that may now be open to them.

Pedagogy, the crucial variable

The marketing mix includes what marketers refer to as their 'P' variables, of which there are anything between four and 12 commonly referenced. At this juncture, one might add a specific 'P' for higher education, which should already underpin that which we do. That is pedagogy.

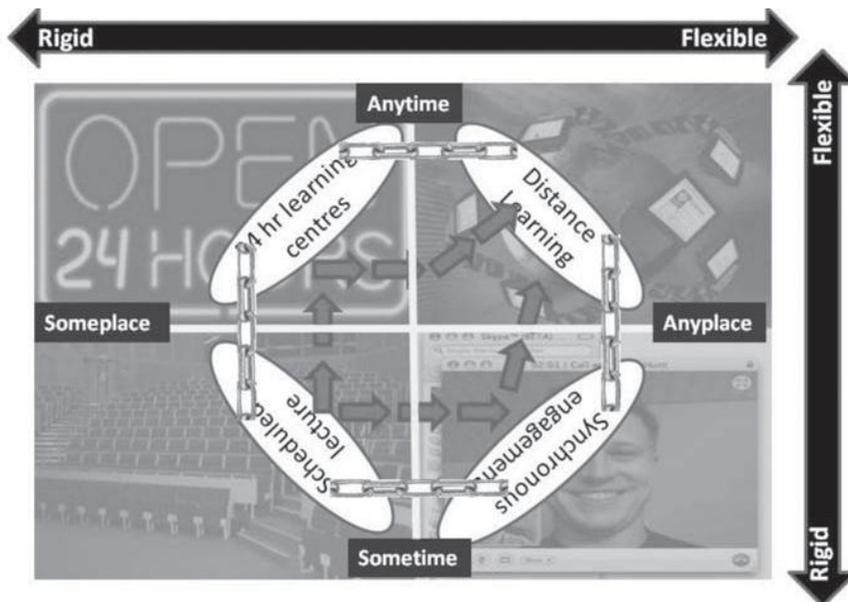
If we can take the opportunity to look at the whole landscape as it now is, gaze ahead and then innovatively re-think how we deliver and distribute our learning – making better use of technology, how (and what) we assess, and how we support learners – then we might well find that we attract those that the system has always missed, or who will start to opt out on a perceived cost/benefit basis.

It is hard not to concede that the time is right to fundamentally challenge our long established academic delivery and quality assurance mechanisms, which originated in a totally different era, where opportunities

and constraints were very different. There is evidence that change is taking place, but this is often relatively peripheral. Every day, as a commuter, I see thousands of people using ever more sophisticated mobile technology for a plethora of purposes. Cheaper and better tablet computers and faster and more reliable mobile internet connections can only exacerbate this trend. Furthermore, more people now have to commute further and more often, as the nature of work and employment changes. Technology can help to make commuting time much more valuable and useful, and there is no reason why academic study cannot compete for use of this time, if appropriate digital content is constructed.

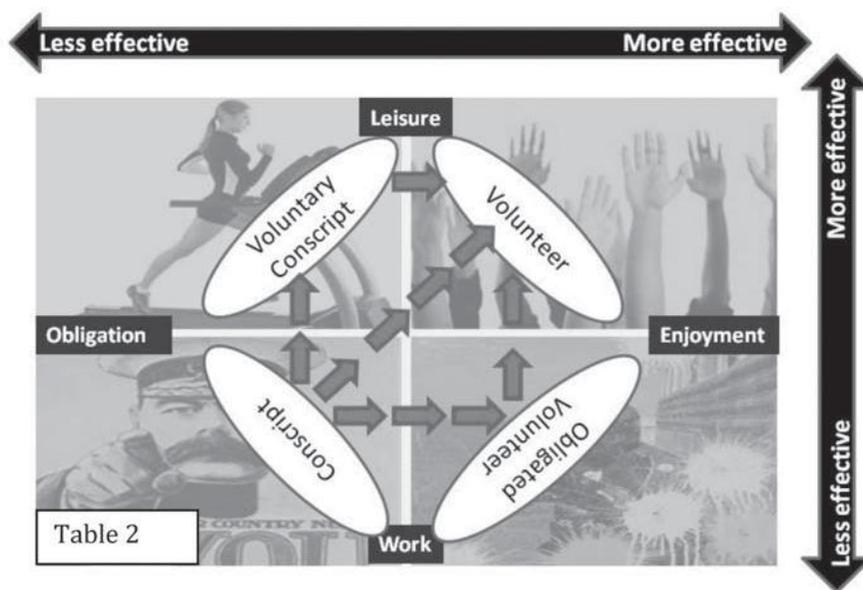
Increasingly, our lives are less dominated by the concept of place and space; we multi-task and fit things in around other activities; sometimes we have more time than others, so we need to be able to accelerate and decelerate as time permits. This is the reality of the everyday life of so many around the world, and universities need to start to consider how they can present their products and services in a way that a significant, and growing, niche market requires. As academics, we need to embrace the opportunity, and use our expertise to benefit our students as we always have, just differently, based on circumstances and resources now available. Most other service industries have had to adapt the way that they operate, and we too have perhaps reached that point.

Table 1 is a matrix that conceptually captures this new dynamic, mapping time and place against rigidity and flexibility. It is quite possible that with better, faster and cheaper technology, a developing understanding of effective online learning and the supporting pedagogy, the changing needs and nature of the population and overall affordability and access, that more course delivery and support will take place online and not on-campus. Given the existing cost structures of a typical 'traditional' university, it would not be surprising if some, indeed many, do not start to invest more in technology and online support, and less in campuses and place-based academic support with a view to gaining competitive advantage in emerging new markets, both home and abroad.



Focussing on flexibility

In addition to this, especially with older and non-traditional learners, who may well not have had a good experience of traditional education, either at school, at college or elsewhere, making learning relevant, enjoyable and fun is also vitally important. The matrix in Table 2 plots work and leisure against obligation and fun, and visually illustrates how effective learning needs to be positioned as a leisure pursuit, even if work-relevant. Part of achieving this is allowing flexible access and support at times that they can more easily fit into busy life schedules. For too long, learning, especially if work-related, has been seen as a compliance-driven or needs-obligated activity, done because it has to be. Imagine a scenario where the pedagogic design, quality and flexibility of the offer makes it both satisfying and enjoyable to participate. One can only think that this makes for a very powerful learning environment, where it realistically has a chance of becoming an up-skilling and re-knowledgeing activity for life. With the challenges that economies and societies face, those that can achieve this are likely to be the sustainable and successful ones.



Re-positioning learning

Conclusion

The time is right to go back to basics and reconsider the role of a university. It could well be that individual universities become defined as much by difference as similarity, with only a core set of values giving coherence to participation in university-level activity. In many ways, as we lead more sophisticated and complicated lives, as the systemic challenges ahead get ever-more complex, as our life aspirations and expectations evolve and as technology provides new choices, a deeper and more widely educated person should be better equipped to cope with the emergent tensions, challenges and opportunities that ride in the wake of change. In a knowledge-based world, there has to be a critical place for a university, but this has to be earned on merit and not be based upon past performance and reputation. If existing players cannot rise to this challenge, new players will certainly emerge, and quickly.

Innovative universities should not fear the future. They should embrace it and play a leading role in developing and defining it. In a world where sustainability of developed economies is predicated on creating and commercially exploiting knowledge, where the threshold for skills and competencies rises ever higher, where creativity and enterprise are key sources of competitive advantage, and where societies and individuals have instant access to vast arrays of information, from which they need to build personal understanding, the opportunity for universities to engage with so many for so long, has never been greater. They can, and should be the thought leaders of future generations, but this can only be achieved by thinking differently, looking ahead and focusing outwards. The question then becomes whether this is what they really want to do?