

**University of Derby**

**The Student as Customer: a study of the intensified  
marketisation of higher education in England**

**Kuldeep Banwait**

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## Glossary of terms

BIS	Department of Business, Innovation & Skills
BP	British Petroleum
CBI	Confederation of British Industry
CRM	Customer Relationship Management
DfES	Department for Education and Skills
HE	Higher Education
HEI's	Higher Education Institutions
IPA	Interpretative phenomenological analysis
KIS	Key Information Set
MU	Modern Universities
NSS	National Student Survey
NUS	National Union of Students
OECD	Organisation for Economic Co-operation and Development
OFFA	Office of Fair Access
OIA	Office of Independent Adjudicator
OU	Older Universities
PA	Policy Analysts
PU	Private Universities
RRA	Relative Risk Aversion
SM	Senior Managers
SRC	Social Rational Choice
STEM	Science, Technology, Engineering, Maths
TEF	Teaching Excellence Framework
UCAS	Universities and Colleges Admissions Service
UCG	University Grants Committee
UK	United Kingdom

## Abstract

The literature review revealed two opposing views of the *'student as customer'*; either it is considered to be a deliberate policy construct rooted in the marketisation of higher education, which encourages public universities to behave like private businesses. Or it is considered to be a natural extension of rising consumerism in society, rendering universities as *'cathedrals of consumption'*. Both perspectives recognise that there is an attempt at creating a market in English higher education. This study discusses a *'paradigm shift'* signalling an intensification of marketisation that began in the early 1980s. The purpose is to identify how these policy changes are perceived, by interviewing a large sample of senior managers and policy analysts in English higher education.

Four themes emerged from the interviews. First, universities were said to be becoming increasingly *"business like"* suggesting that senior managers of English universities were faced with an identity crisis in grappling with their purpose as businesses or educational institutions. Second, was the idea that they performed in a *"market like"* fashion, displaying an uncomfortable acceptance of the idea whilst being open to the discussion of a free market in the future. Third, was the characterisation of student relationships with the university as *"customer like"* revealing an uncertainty as to whether students are customers or not. Fourth, was *"individualism"* a concept accepting the fact that universities would have to see higher education as an individual investment by a student. The implication of these uncertain themes is that senior managers would need to get out of *'debate mode'* to adopt a clear and radical stance instead of being locked in the indecisive *"like"* dilemmas. They must develop the ability to see through the *'strategy illusion'* and either challenge or accept the policy-induced uncertainties of higher education in the 21<sup>st</sup> century.

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# Chapter 1

## Introduction

## Chapter 1 – Introduction

### 1.1 The background to this study

The context of this particular study is set by a landmark speech made by the Labour, Secretary of State of the then newly created department of Business, Innovation and Skills (BIS). This speech titled *‘Higher Education and modern life’* (Mandelson 2009:1), was made on the 27th July 2009 at Birkbeck University in London. In outlining a vision for the future direction of higher education, Mandelson asserted that universities had played a pivotal role in facilitating economic growth and social mobility. He pointed out that universities, as brands, had the potential for higher education to become a global export. They should hence seek to commercialise the knowledge created by them and become major contributors to economic growth. In terms of social mobility, he suggested that higher education was an entry ticket to the best paid employment opportunities. Therefore it would define access to social mobility in Britain. He more significantly conceded in the same speech that funding universities had remained the biggest political concern of successive governments. He went on to state:

*Bluntly put: excellence is not cheap. When this Government came to office, we faced the challenge of maintaining a world class university sector, with higher participation rates. We now face the same challenge with inevitable pressure on public resources. We cannot duck the issue: everything we want to achieve in higher education depends on a solid, sustainable system.*

(Mandelson, 2009:1)

In another significant speech this time to the Confederation of British Industry (CBI), on the 20<sup>th</sup> October 2009, Mandelson hinted that students therefore would have to be prepared to pay more for a university education in the future. He in return wanted students, as consumers of the higher education experience, to demand more of their universities, to help them drive up standards and offer better value for money. He went on to state:

*If there is a passivity, then I hope that without enjoining our student population to take to the barricades, I hope they will be more picky, demanding and choosy consumers of the higher education experience.*

(Mandelson cited in Shepherd, 2009:1)

Mandelson then went on to warn that universities would be subject to tighter fiscal scrutiny, and there needed to be a greater degree of competition between institutions. He emphasised that courses would have to be improved and tailored, to address the skills shortages expressed by businesses. He also referred to employers as the second most important clients of universities after students, in expecting more from universities. He said:

*After students themselves, you are the key clients of the higher education of the higher skills system. It has to be shaped by your demand, and that demand has to be expressed clearly, coherently and quickly, both for generic and specialist skills.*

(Mandelson cited in Shepherd, 2009:1)

To this the National Union of Students (NUS) responded, that universities should be focused on economic growth and in enhancing the employability of students, by equipping them with skill required to succeed in the workplace. The then president of the NUS, Wes Streeting, went on to argue:

*However, much of government higher education policy during the past decade has been worryingly utilitarian. The government must ensure an appropriate balance between utility and the wider educational value.*

(Streeting cited in Shepherd, 2009:1)

On 9th November 2009, Lord Browne the former chief executive of British Petroleum (BP), was appointed to lead a review, of how English higher education could be funded in the future. Launching the review Mandelson had stated:

*We need universities to continue to thrive and to meet this vision, Lord Browne and his team will examine the balance of contribution to universities by taxpayers, students, graduates and employers.*

(Mandelson cited in Curtis 2009:1)

The review was to report after the general election of 2010, prompting accusations that government and the opposition were trying to avoid the controversial decision, about the fee increase. The fees were £3,375 at the time, which according to Mandelson had provided universities with a secure income stream, without impacting upon participation rates, in

particular the numbers coming from lower income groups. The NUS president at the time however warned that:

*There is a real danger that this review will pave the way for higher fees and a market in prices that would see poorer students priced out of more prestigious universities and other students and universities consigned to 'bargain basement'. This would be a disaster for UK higher education and must not be allowed to happen.*

(Streeting cited in Curtis, 2009:1)

The Browne review (2010), titled '*Securing a sustainable future for Higher Education*' was published on 12 October 2010. The review recommended that more investment had to be available for higher education. This new investment, it claimed, would have to come from the student graduates, who directly benefit from higher education. The proposals did not include any cap on fees that institutions could charge. It instead recommended that universities pay a levy on any fees charged above £6,000, towards a widening participation fund. The logic posited was that students were best placed to make a judgment about what they want to get from participating in higher education. Browne therefore proposed that money should follow the student. It was also claimed that student choice should shape the higher education landscape, as they would now direct their choice of course and institution.

The review commissioned under the Labour government in 2009, was now delivering its recommendations to a coalition government in 2010, led by the Conservatives and supported by the Liberal Democrats. According to Carasso and Gunn (2015), higher education policy was a major example of difference between the two parties' pre-election pledges. The Liberal Democrats had promised to scrap tuition fees, on the other hand the Conservative party remained non-committal, claiming to carefully examine the results of the Browne review. It was also reported by Hutton (2010), that education think tanks and charities were also critical of uncapped fees. They were arguing that as a consequence of uncapped fees, prestigious courses would become a preserve of the most privileged and warned of social sorting. Wintour (2014), points out that the coalition had come to power promising to reduce the budget deficit. It was therefore concerned that allowing universities to set their own fees and student recruitment targets, could lead to a huge rise in student debt in a challenging

economic climate. Political unrest and the student protests organised by the National Union of Students (NUS), Coughlan (2010) observes, made the recommendations of the Browne review publically and politically unacceptable for the coalition government.

In response, the coalition government published a white paper titled '*Higher education: Students at the Heart of the System*' (BIS, 2011), on 14<sup>th</sup> June 2011. This White Paper was intended to set out the future landscape for higher education. It declared that universities tuition fee cap would almost triple from £3,375 to £9,000 per year, for students beginning their courses in 2012/13. It claimed to create a much more dynamic sector in which popular institutions could grow, thereby requiring all universities to offer a good student experience to remain competitive. Universities could recruit as many students with grades AAB or higher, with some flexibility to recruit extra students if charging fees less than £7, 500. The students that each institution could recruit was capped, with fines to be imposed on over-recruitment. There would also be encouragement for new alternative providers, with the promise of simplifying the regime for obtaining the university title. Universities would also have to publish directly comparable data for prospective students in areas such as contact hours, employability, additional costs, and projected salaries, to be known as the '*Key Information Set (KIS)*' (BIS, 2011:27).

The White Paper was justified by the Minister of State for Universities and Science David Willetts (2011), as a fundamental driver for structural reforms in higher education. He also stated that universities would charge the maximum fees set at £9,000, only in exceptional circumstances. He also believed that these reforms would also unleash the forces of consumerism. This, in his view, was the best way of harnessing the power of the student. It gave further explicit credence for students as the primary customers of universities. The notion of student as a primary customer was first characterised in UK higher education by Crawford (1991), in the context of increase student satisfaction through improved service quality. More recently Van Andel, Bótas and Huisman (2012) have echoed this by asserting:

*Students are the main customers of higher education and higher education policy must ensure that higher education institutions treat their customers, i.e. students, with the respect and dedication that they deserve.*

(Van Andel, Botas and Huisman 2012: 62)



The White Paper was speculated by Eastwood (2011), to be full of political compromises due to the internal political dilemmas faced by a coalition Government. This, it is suggested, led to cherry-picking from the original recommendations of the Browne review. According to Wyness (2015), the resulting reforms had not delivered the savings government was hoping for, by shifting the cost of higher education to graduates. The envisaged market based sector had also not materialised, as there was almost no variation in tuition fees. According to OFFA (2014), the average fee stood at £8,425 per year, with almost all universities deciding to charge near or the maximum of £9,000. Admission figures provided by UCAS (2014), showed that widespread fears that participation in higher education would plummet had failed to materialise. The near tripling of fees had, however, led to a significant and sustained fall in part-time students and mature students, according to the Independent Commission on Fees (2015).

According to Bailey (2012), a major criticism of the White paper, which is seen as a blueprint for contemporary English higher education policy was that it favoured the ideology of markets. This according to Brown (2015), had accelerated marketisation or the attempt to put the provision of higher education on a market basis. This attempt to further reform higher education in a corporate direction had also intensified the linked characterisation of student as customer, threatening the core public values of higher education. As Collini (2012) contended:

*This White Paper and the legislation already enacted are not about finding fairer ways to pay for higher education or, in any meaningful sense, about putting students at the heart of the system. Rather, they represent the latest instalment in the campaign to replace the assumptions of the Robbin's world with those of Mckinsey's*

(Collini, 2012:14)

A key feature since the 2011 White Paper has been the gradual relaxing of the student recruitment cap. Universities could recruit as many students with AAB grades in 2012/13, this threshold was lowered to ABB for 2013/14. The Chancellor of the Exchequer George Osborne announced on the 5<sup>th</sup> December 2013, that these controls would be further

relaxed in 2014/15 and abolished in 2015/16. This according to Hillman (2014), was due to practical, economic and political reasons. These were:

- 1). It makes virtue of reality as demand for higher education is unlikely to tail off*
- 2). HM Treasury recognise that delivering more high level skills is one of the most effective levers for delivering economic growth*
- 3). Given the benefits of higher education for individuals it can be sold as an aspirational policy in the run up to the 2015 general election*

(Hillman, 2014:7)

It prompted Westwood (2014), to question as to how the popular political narrative, associated with yet another expansion of higher education was to be financed. This especially in a climate of economic austerity. He also questioned whether the customer revolution, promised by the Browne review and the White Paper, had really been unleashed. He asserted:

*Things are changing but they are really staying the same. Higher education may be funded differently but the higher education experience isn't all that different. Furthermore, the traditional model built around the three-year, full-time Honours degree, appears to be becoming much more dominant at the expense of all other forms. This is at a time when learning models across the world are meant to be diversifying and changing rapidly according to demand. This is where the most significant longer term challenges to quality in English higher education really lie. Not in how we govern, formulate or fund the traditional model, but in how we react to an increasing homogenisation of higher education as the world changes rapidly around us.*

(Westwood, 2014:6)

The Conservative Party returned to power in May 2015, this time having won a majority. It therefore raised the question of how might this impact the higher education policy in England, without the political compromises. This was in consideration that both coalition partners had diametrically opposing views on funding higher education. The Conservatives were in favour of fees, whilst the Liberal Democrats had an anti-fees stance. Hillman (2015) recalls:

*When I worked at BIS under the coalition, Number 10 would occasionally ask us if there were to be a Conservative majority government rather than a mish-mash of a coalition, how higher education policy would differ.*

(Hillman, 2015:1)

The government green paper (BIS 2015), on higher education titled, *'Fulfilling our potential: Teaching excellence, social mobility and student choice'*, was released on the 6<sup>th</sup> November 2015. This is noted by Hillman (2015), as the first expression of how higher education might look, under a now majority Conservative government. The key features were that university fee increases would be linked to teaching quality. It also proposed that various regulatory bodies would be merged, to form a single student champion, a watchdog to be called the *'Office for students'* (BIS 2015:9). In order to create differential fee levels, the green paper suggested universities could be ranked in three or four groups based on teaching quality; student experience, graduate job prospects and dropout rates. Each group would be allowed to raise their fees at different levels within an overall cap of the rate of inflation. This Marsden (2015), warned could create a two-tier system, branding some universities as second class, damaging the life chances of those who go to them. Boxall (2015) warned that this proposed *'Teaching Excellence Framework (TEF)'* (BIS 2015:7) could end up being played as another numbers game. On the other hand Coughlan (2015), in positing for the Green Paper believed:

*It's no longer acceptable for universities to take the money, without being rigorous about the quality or quantity of teaching. It's as if universities are being nudged to say that they can't turn their back on what are now their paying customers.*

(Coughlan 2015:1)

It appeared that the call for students to adopt a more consumer led approach towards higher education in exchange for paying higher fees made by Lord Mandelson, the Labour Business Secretary in 2009, continued under David Willets the Universities and Science Minister within the coalition government. Willetts (2013), had declared that unleashing the forces of consumerism was the best single way of restoring high academic standards. This seems to have come full circle in 2015, when Jo Johnson (BIS 2015), the Universities and Science Minister in the Conservative government said, that

he wanted to ensure the time and money students invested in higher education was well spent. The latest green paper reiterated the role of the government in ensuring better value for money on behalf of the students. The policy encouragement for students as customers seemed to have gained further momentum, with the proposed Office for Students, being positioned by the government as a consumer watchdog for the English higher education sector. There are also further signs of accelerating marketisation in the latest government white paper on higher education. This white paper titled, *'Success as a knowledge economy: teaching excellence, social mobility and student choice'* (BIS 2016), was published on 16<sup>th</sup> May 2016. This white paper is explicit in its intention of creating a healthy competitive and well-functioning market, through ease of market entry for new providers and market exit of failing incumbent institutions. It clearly states that the government should not be in the business of rescuing failing institutions, and as a matter of policy, will not prevent this from happening.

## 1.2 The purpose of this study

The purpose of this study was to gain first hand insights from senior managers working within English universities and policy analysts of the higher education policy. These insights are envisaged to provide a rich account of the mood within the English higher education landscape, in the immediate period after the much contentious Browne review and the subsequent government white paper. The recommendations of the Browne review had been described by Lord Browne himself, as a radical departure from the existing way in which HEIs are financed. The National Union of Students said that if adopted, the review would hand universities a blank cheque and force the next generation to pick up the tab for the cut to higher education budgets. The government white paper that followed in response to the Browne review, claimed to free the sector so it could respond to the needs of the students in new ways. The National Union of Students responded, that by increasing the fee cap to £9,000, the price of going to university had tripled. This however was not simultaneously matched with a similar rise in educational standards. This, the NUS claimed, could create stability for the perceived best, at the risk of creating market chaos and uncertainty for the rest of the universities.

The important questions that this study was seeking to gain first hand insights into were:

What was the rationale driving the intensified marketisation policy of English higher education?

What were the contesting assertions made by those who supported or opposed the accelerated marketisation of English higher education?

To what extent will English universities internalise the notion of student as customer, as a desired policy outcome?

How might the policy blueprint impact upon different types of English higher education institutions?

What would be the implications of the changing policy narrative upon the English higher education sector as a whole?

### 1.3 Aim and objectives

To seek answers for these questions and gain a range of perspectives, a qualitative research approach of conducting semi-structured interviews was felt to be the most appropriate. This research study did this by interviewing 39 key informants from within and around the English higher education sector. This, it was envisaged, would result in gaining first hand insights to the major questions that this study had sought to evaluate. The overall research question of this study is:

How is the idea of intensified marketisation and student as customer understood by senior managers within and policy analysts working around English higher education institutions?

This will be examined through the following research objectives:

- Conducting a literature review capturing the major debates that surround marketisation and the characterisation of students as customers of higher education
- Evaluating the perspectives provided by the 39 key informants on the unfolding policy landscape for English higher education
- Developing implications in light of the unfolding policy landscape for English higher education institutions and the sector

#### 1.4 The structure of the study

The structure of this study, seeks to set the background that has led to the purpose, the overall research question, and objectives in this Chapter 1. This chapter paints a picture of the lead up to the Browne review of English higher education in 2010, and the government response in the form of a white paper. These two policy documents are widely regarded to have ignited debates, surrounding the intensification of marketisation and the linked characterisation of student as customer. The chapter also paints a picture of how English higher education policy has unfolded since the Browne review, leading up to November 2015 and May 2016, when the latest green and white papers respectively on higher education policy were published. These papers have provided further policy encouragement for the intensification of marketisation and the legitimisation of student as customer within the English higher education landscape.

The literature review in Chapter 2 provides an opportunity to evaluate, as to how the debate surrounding marketisation of higher education has reached a point, whereby the student is now described explicitly as a customer. Such description of student as customer had existed prior to the Browne review, but the tempo of this debate was significantly higher since. Four debates were reviewed from the literature, first is on the marketisation of higher education, second is on the rhetoric and reality of markets in higher education, third is on the rise of consumerism in higher education, and fourth is on the factors influencing choice in higher education are presented. This is because the roots of the current intensification of marketisation, and the explicit characterisation of student as customer are firmly located in these four areas. The implications from these four debates are then reflected upon, to understand the notion of creating a competitive advantage for higher education institutions.

This is presented by distinguishing marketisation, from the 'marketing-isation' of higher education. The literature review provided the lines of enquiry, for semi-structured interviews conducted with the 39 key informants who took part in this study.

The methodology employed for this study is discussed in Chapter 3. At the core of this methodology is the rationale for conducting the thirty nine semi-structured interviews. The interviews were comprised of a sample which was formed of senior managers for pre 92, post 92, private Universities and policy analysts. The main research method employed to analyse the interview data is a thematic analysis. The thematic analysis enabled key themes to be generated, interpreted and connected. This helped in formulating an empirical and coherent narrative from the participants' perspectives, about the emerging higher education policy landscape in England.

The findings and discussion is presented in Chapter 4. This chapter discusses and evaluates the key themes and sub-themes, generated from conducting the thematic analysis. This has allowed for the comparing, contrasting and evaluation of these key themes and sub-themes that emerged. This was done by organising, labelling and reduction of the transcribed interview data into four categories of Pre 92, Post 92, Private Universities and Policy Analysts.

The implications from the thematic analysis for English universities and the sector overall are presented in Chapter 5. These implications have been presented as widely applicable to the whole sector or more specific to a particular category or type of higher education institutions. These implications are not the last word because they are subject to interpretation and presented in the context of this particular study only. The implications are based upon the interpretation of the views of informants that took part in this particular study only. These implications are hence presented to provoke thought and further discussion, leading to the development of institution specific strategies in response to the recent and ongoing policy changes within English higher education.

## 1.5 Summary and contribution to knowledge

The context of this study is set in 2009 when Peter Mandelson, the then Business Secretary in the Labour government, called upon students to become more demanding consumers of the higher education experience. This he had suggested would be in exchange for students having to pay fees to fund the expansion of English higher education. How to fund a mass higher education system had remained a challenge for successive governments. Mandelson had also argued that increased contribution from graduates as major beneficiaries was necessary, for sustainably funding higher education. This was seen as essential to continue the economic growth and also improving social mobility. It would therefore mean that universities would receive increased funding, in return would have to become more responsive to the needs of students and businesses, identified as their two key clients. The Browne review 2010 and the subsequent coalition government response in the form of a white paper in 2011, rubber stamped that tuition fees would increase from £3,375 to £9,000. This proposed that the provision of undergraduate higher education in England would now be primarily funded by government backed income contingent loans payable to students, rather than grants payable to universities. The justification provided for this was that money should follow student choice, unleashing the forces of consumerism in an attempt to create a competitive market in English higher education. The picture today is that most English universities have set their fees at £9,000, student application rates have remained unaffected. Although the fee cap is still in place, a further change was that universities were free to expand by recruiting as many students as they want from 2015-2016. The coalition was replaced by a Conservative government in 2015 and further reforms have since been announced. These point to a further intensification of marketisation and increased momentum for the legitimisation for the student as a customer. The key dilemma for policy makers and university leaders still remains the same. How will the further expansion of higher education be funded in England and what will the implications be for the sector?

The contribution to knowledge this study makes is to present a first-hand account of the individual perspectives from a sample of thirty nine key informants. These included senior managers and influential policy voices from English higher education. These insights were captured between 2011/2012 and are envisaged to provide a rich account of the mood within the



English higher education landscape, in the immediate aftermath of the much contentious Browne review and the subsequent government white paper. These two policy documents according to Scott and Callender (2013), would form the new paradigm of higher education funding policy in England. The findings of this research will provide the opportunity to develop an alternative narrative. This will signify that individual institutions must develop the notion of creating a competitive advantage, through a distinctive brand identity with clear positioning. This must be delivered through a clearly communicated value proposition, forming the basis for a sustainable competitive advantage as the intensified marketisation of English higher education is predicted to continue. This study aims to bridge the gap between intensified marketisation linked to the rise of student as customer, and the marketing-isation (Gibbs 2008) of higher education. The marketing-isation is associated with the recent increase in marketing spend by universities. Mark (2013) suggests that this along with the criticism of student as customer is based on the outdated concept, that the customer is always right. This study thus critically evaluates marketisation of English higher education, from the lens of contemporary marketing. This perspective suggests that the customer is no longer passive, moreover according to Vargo and Lusch (2004), is an active participant in shaping the customer experience. Bowden (2011), has suggested that this shaping of customer experience can be achieved by developing a strong psychological attachment, and an emotional bond between the student and the university.

This study hopes to disentangle marketisation and marketing as Nedbalova, Greenacre and Schulz (2014), state that there is disconnect between marketisation and marketing. Some other researchers (e.g. Brown, 2010; McMurtry, 1991; Shumar, 1997), writing about marketisation consider marketing to be an evil practice, which damages education by using business techniques. On the other hand according to Maringe (2005), those writing about the application of marketing concepts of higher education, try and superimpose them, whilst the need is to develop domesticated marketing concepts those that acknowledge the values of education. This study will make a timely contribution to knowledge in an attempt to bridge the gap between marketisation and marketing of higher education. This is also in response to a call by Palfreyman and Tapper (2016), that there should be a significant shift in academic debate. They conclude that the debate on state funded versus a marketised higher education system should draw to a graceful close. This is in conjunction with John and Fanghanel (2015),

who call for a need to reflect, and consider how universities should respond to the challenges of marketisation. This study will evaluate these calls for institutions and academic communities for needing to learn the art of being agile in a highly competitive context.

The literature reviewed in Chapter 2, will illustrate the current higher education debates and the imminent changes, which are fast approaching English universities. These debates and changes are complex in nature. Khurana (2010), has questioned the ability of university senior managers to cope with the major challenges that lie ahead, as a result of the uncertainty caused by a shift from domesticated to an increasingly wild competitive environment (Carlson 1964). The literature review therefore evaluates the major challenges emerging from the intensified marketisation of English higher education, that John and Fanghanel (2015), conclude has re-casted the students as customers.

# Chapter 2

## Literature Review

## Chapter 2 – Literature Review

### 2.1 Background to the literature review

The literature review chapter evaluates the trajectory of English higher education. This trajectory according to John and Fanghanel (2015), over the last three decades has been closely shaped by the emergence of neo-liberalism, the introduction of market principles in the public realm and the rise of new public management. This process is referred to as marketisation which according to Dicken (2011), denotes the transfer of goods and services from the public to the realm of the market. Berndt and Broeckler (2012), refer it to market exchange as a social function, linking it to the infusion of consumerism within the public sector. According to Brown (2011), higher education has not been immune to these developments. The shift from public to private sources of funding since the 1980s was to relieve government of the cost burden of an expanding higher education system. It was also combined with seeking defined improvements to the efficiency and effectiveness of English universities.

According to Williams (2012), this trajectory has also led to the rise of *student as customer* in English higher education, as a political construct especially since the mid-1990s. She asserts that in politically justifying the gradual shift from a publically funded higher education system to one funded by student fees, has resulted in *student as customer* to become the norm. This to such an extent where, Joanna Williams noted, a leading newspaper having made two references to student as customers in 1998, but this rose to 442 references in 2011. This was the immediate period after the tripling of tuition fees to £9,000 in England. This literature review therefore presents how and why the debate had reached from when students were first implicitly characterised as the primary customers of English higher education institutions by Crawford (1991). This to the present day when Williams (2012), is claiming that *student as customer* is now used explicitly by both politicians and the media. According to Furedi (2010), *student as customer* had been sadly embraced by many universities, reducing academics to a service provider. This Scott (2015), suggests is at the heart of controversies about the markets and values in higher education.

## 2.2 Structure and approach to the literature review chapter

The literature review chapter is structured to assess whether the narrative surrounding the marketisation of higher education had reached a point, whereby the student could be described as a 'customer'. A notion of the student as customer had existed prior to the Browne review in 2010, but the scrutiny of this idea had increased significantly since then. The chapter is organised around four debates. The first debate is between proponents and opponents of the marketisation of higher education, the second is on the rhetoric and reality of markets in higher education, the third on the rise of consumerism in higher education as a political or social phenomenon, and the fourth on the factors influencing student choice of higher education institutions. The rationale is that the roots of the current intensification of marketisation, and an explicit characterisation of student as customer are firmly located within these four areas. The implications of these four debates are then reflected in terms of the notion of creating a competitive advantage for higher education institutions. Marketisation is then distinguished from the 'marketing-isation' of higher education.

**Part one** of the literature review chapter, starts by looking at the journey of marketisation of higher education in England. This can be summarised as the expansion of higher education since the 1960s, along with challenges of funding the shift from an elite to a mass system. The review then evaluates the debate for and against the funding reforms of English higher, introduced after the Browne review in 2010, and the government white paper in 2011. These reforms have been presented as a policy blueprint, in further shifting the funding of English higher education from public to private sources.

**Part two** of the literature review evaluates this funding shift signalled a policy intention of creating a market in English higher education. This is done by capturing the debate about the rhetoric and reality of markets in higher education. This is followed by presenting the debate surrounding balance of public and private contributions, hence who benefits and who should pay for funding higher education, in the policy envisaged market.

**Part three** of the literature review evaluates the intensification of marketisation, leading to the increase of consumerism within English higher education. This led to the debate about

whether higher education should or should not be treated as a commodity, which can be sold and bought in the marketplace. The increased consumerism is also linked to the rise in consumer culture in society, which encourages the idea of individuals as consumers. The debate presented in the review is whether a rise in consumer culture within higher education could be an extension of this social phenomenon or a deliberate policy intention. The commodification and consumer culture debates are then linked to the contentions about students as customers, or whether English higher education should move beyond this notion.

**Part four** of the literature review looks at debate surrounding the rise of consumerism and the characterisation of students becoming fee paying customers, impacting upon their university choice. As students pay more, what institutional characteristics might drive choice about what and where to study? Will these be any different from the past, where choice has been primary driven by institutional, student characteristics and social class? This part of the literature then evaluates whether students always make rational choices about whether to, where and what to study. This is evaluated against the notion that making a choice is not always a rational or logical process, alternatively that choices are often dictated by factors such as feelings and emotions. The literature review culminates by presenting that English universities would need to clearly define their notion of a sustainable competitive advantage, as the marketisation of English higher education is predicted to intensify. Some ideas are put forward from the contemporary marketing literature about how to create a sustainable competitive advantage.

**Part 5** is the last section of the literature review. The literature review is summarised here for the main questions to emerge. These questions form the basis of subsequent in-depth interviews, conducted with senior managers and policy analysts in English higher education.

## 2.3 The journey of the marketisation of English Higher Education – Part 1

### 2.3.1 What is marketisation?

It is asserted by Wyness (2013), that the reforms set out in the Browne report (Browne 2010), and the subsequent white paper (BIS 2011) mark a major shift towards a fully marketised higher education system in England. These reforms according to Brown and Carasso (2013):

*...are the latest, but also the most significant and far-reaching, stage in a long process of marketisation under which, through the policies of successive governments of all political parties since 1979, British higher education – or at least the core functions of student education and academic research – has been provided on market or ‘quasi’ market lines.*

(Brown and Carasso, 2013:2)

Lynch (2006), states that this marketisation of higher education can be described as being associated with the rise of neo-liberalism, the introduction of marketing principles in the public provision and the emergence of new public management. According to John and Fanghanel (2015), all three grew especially out of the Thatcherite settlement in the early 1990s, the fall of the Berlin Wall, the end of the Soviet Union and the rise of globalisation. This was also seen as the triumph of free markets over statist solutions in securing economic growth. To control the rising cost of and demand, politicians in UK borrowed the idea of utilising free market mechanisms, as a way of financing most of their public services. According to Crouch (2009), this process known as marketisation represents the transfer of goods and services, from the public into the realm of the market.

Hillman (2013) reveals that this phenomenon of marketisation can now increasingly be found across many higher education systems across the world. It is also suggested that United States is perhaps the most marketised higher education system. The shift in England towards a marketised system is described as more notable than anywhere else in the world. According to Brown and Scott (2009), the marketisation of higher education involves the application of the economic theory of the market to the provision of higher education. Foskett (2010) clarifies that marketisation requires the use of market mechanisms and

market forces, as a justification to expanding higher education effectively and efficiently, by exposing universities to a competitive market place.

The marketisation of higher education is additionally described by Brown (2011), as an unstoppable yet complex process, with every major higher education system falling somewhere, between market and non-market extremes. It has therefore been contested by Scott (2015), whether the marketisation of English higher education might have already moved too far down the market extreme. This, Collini (2012) argues, will create unprecedented confusion about the purpose of universities. On the other hand Willetts (2015) insists that that it is the only way to sustainably fund what Trow (2000) refers to as the shift from an elite to a mass higher education system.

### 2.3.2 The shaping of a mass higher education in the 1960s

According to Callender and Scott (2013), the expansion and growing importance of higher education in England over the past 50 years especially targeted marketisation since the 1980s, had reshaped the sector and how it is funded. Hillman (2013), explains how the funding of higher education has changed from an entirely public funded system since the 1960s:

*The Anderson Report of 1960, which was largely implemented in 1962, recommended mandatory grants for living costs and tuition fees for full-time, first time UK undergraduate students. The Browne Report of 2010, which was partially implemented in England in 2012, recommended that the majority of costs for the maintenance and tuition should be covered by government backed loans. In the intervening period, higher education was transformed from an elite to a mass sector.*

(Hillman 2013: 249)

According to Shattock (2012), the period after 1963 as recommended by the Robbins report (1963), was followed by mass expansion in the provision of higher education in both the UK and in England. This period between 1960 and 1980 is described by Shattock (2012), as inside out. It meant that higher education policy, was largely conceived and implemented, from within the University system itself. This was done through the University Grants



Committee (UCG), which largely consisted of members of the academic staff of universities, who advised the government on universities needs and distributed grants to them. According to Williams (1997), this enabled universities to be financed largely by the government but remain free of political involvement, in the management of their academic affairs and their internal resource allocation. This period is therefore nostalgically characterised as the golden age of British universities. This is because they were generously funded by the state, to form the next generation of leaders in public service, in scientific research and the liberal professions. The state met most of the costs and made very few demands on universities. Foskett (2010) cited Carlson (1964), to describe this as universities operating in a domesticated environment. According to Tight (2009), the number of universities during this period between 1960 and 1980, had nearly doubled from 24 to 47, along with the creation of 31 polytechnics. They formed the other half of what was called the binary policy, envisaged to counterbalance the university sector and focus more on applied and vocational forms of study. The participation rates of those going into higher education, during this 20 year period had increased from 5 to 14 percent, although according to Williams and Blackstone (1983), these still lagged considerably behind most OECD (Organisation for Economic Cooperation and Development) countries.

### 2.3.3 Thatcher's drive towards reducing public spending and its impact upon higher education in the 1980s

According to Brown (2015), the marketisation of English higher had started soon after the 1979 election, when the new government announced massive public expenditure cuts. The higher education's share was removal of all public subsidy, in respect to all students whose permanent residence was outside the European Community, plus also through a reduction of government grants. According to Williams (1992), this removed about 16% from the income of universities, bringing to an end what was earlier described as the golden age of universities. This also marked the start of what Shattock (2012), describes as the outside in period, as higher education policy would now be substantially created from outside the university system. This, according to Scott (1995), would be achieved as a consequence of a new model of policy formulation based upon the neo liberal ideology, which favoured the belief in market forces, and New Public Management. This is whereby the state intervenes,

and steer through policy interventions, in a bid to modernise the higher education system. This Foskett (2011) cites Carlson (1964), of bringing the domesticated environment to a close, and the start of the wild environment where universities would have to compete, and seek to replace their lost income with alternative sources of revenue generation.

According to Clark (1997), it was in response to these funding cuts in 1981, that entrepreneurial universities had started to seek alternative sources of income, that included the active recruitment of full fee paying students, establishment of commercial arms to sell teaching and research activities, renting out space when not required by the students and maintenance of average cost per student by restricting student recruitment. According to Williams (2010), this was characterised as the much cited save half raise half response of University of Warwick, which would be followed by many other universities. This immediately raised questions about whether income generation should take precedence over a university's core mission of teaching and research.

According to Williams (2010), the marketisation of higher education was driven forward by the 1988 Education Reform Act. Shattock (2012), reports this act had confirmed that the funding bodies such as the UGC had become an agent of the government, whilst universities were transformed from trusted providers of high level teaching and research into audited sellers of academic services. This because each university was now specified, as to what was required from the money allocated, by setting the price for each student recruited. In fact in 1989 the government transferred about 20 percent of the core funding away from direct payment to universities. This would now be used to subsidise fees and in essence was a student voucher, which covered a quarter of the teaching costs of universities and polytechnics. It along with the increased marketing prowess of institutions, now accustomed to attracting more international students would set the scene for an explosive expansion in student numbers. This according to Stuart (2012), would double the participation rate from 15 % in 1988 to 30% in 1994.

#### 2.3.4 Reform of the higher sector by ending the binary divide in the 1990's

The Further and Higher Education Act 1992 meanwhile would bring the binary divide between universities and polytechnics to a close. This, according to Tight (2009), led to 41 polytechnics being granted the status to become universities between 1992 and 1993. This according to Greenaway and Haynes (2003), meant that on one hand whilst the higher education system had expanded, the average public funding per student had been declining. Amongst fears that higher education institutions were showing insufficient regard for quality, the expansion policy was halted in 1995. Each university was now set a recruitment target, therefore becoming liable for a fine for every student it recruited above the target set by the Higher Education funding council. This cap on student numbers remained in place till 1998.

According to Stuart (2012), by the mid-1990s there was a recognition across the political spectrum, that the expansion of English higher education since the 1960s, was now becoming a challenge for the public purse. In addition there was a growing recognition that higher education itself, was in need of additional resources to remain competitive in a global marketplace. In 1996 Gillian Shepard, the then secretary of state for education and employment in the Conservative government, set up a review of higher education under the chairmanship of Sir Ron Dearing. This was considered to be the first major review of higher education since the Robbin review in 1963. According to Barr and Crawford (1998), the debate about whether part of the cost of funding should be borne by graduates, who were receiving considerable benefits from higher education, now began in earnest. The Dearing Committee (NCIHE, 1997), recommended that the tuition fee component of teaching costs should be paid by graduates in the form of income contingent loans. Tight (2009) considers this as the undoing of the principles of the mandatory grants which had been in place since the Anderson Report of 1960 (Great Britain Ministry of Education and Scottish Education Dept. and Anderson 1960).

### 2.3.5 The introduction of student fees in the millennium

According to Hillman (2013), although the Dearing review's recommendation of income contingent loans was rejected by the government, it accepted the central tenet of private contribution by introducing top up fees of £1,000 that had to be paid upfront. The Teaching and Learning Act 1998, created tuition fees of £1,000, from the academic year 1998. In 2001 the Labour government (Blair, 2001), expressed the desire that, 50% of young adults should progress into higher education by 2010. According to Tight (2009), higher education participation rates in 2000-1 now stood at 33%, compared to 34% in 1997-98. In order to achieve this a higher education white paper (DfES, 2003), proposed that from 2004-2005, the upfront fee of £1,000 be replaced by a new variable fee capped at £3,000. These fees were to be repayable on an income contingent basis. The loan would be payable when a graduate starts earning £21,000. According to Wyness (2010), with the Higher Education Act 2004 when tuition fees were increased to a maximum of £3,000, all universities had decided to charge the maximum amount upon their introduction in 2006-2007.

### 2.3.6 The Browne review 2010, further increases in fees and increased student expectations

According to Garner (2009), the ex-chairman of British Petroleum (BP) Lord John Browne, was invited to chair a cross party agreed review into university tuition fees in November 2009. The review, according to the then Business Secretary Lord Mandelson, would consider the balance of contributions to funding universities by taxpayers, students, graduates and employers. This is because they all benefited directly and indirectly from the higher education system. It was suggested that the review was lobbied by vice-chancellors, who wanted to be able to charge even higher fees. The Business Secretary had clarified that the introduction of top-up fees had already brought an extra £1.3 billion worth of funding per year to universities, without harming participation rates. The National Union of Students (NUS), on the other hand warned that the review would rubber stamp the introduction of higher fees, which would see poor students priced out of more prestigious universities. The Liberal Democrats had described the review as a conspiracy between Labour and the Tories designed to keep plans to hike tuition fees off the agenda until after

the 2010 General Election. According to Shattock (2013), participation rates 2009-10 had increased to 43% from the 33% in 2000-1.

The review team delivered its recommendations in October 2010, in what is popularly referred to as the Browne review. This major review of English higher education since the Robbins review 1963 and the Dearing review 1995 was titled, '*Securing a sustainable future for higher education*' (Browne, 2010). The main thrust of the recommendations was that graduates would be required to make a greater contribution to the costs of higher education, in justification that they benefit the most from higher education. The review recommended that higher education undergraduate tuition fees be uncapped from £3,290 and each higher education institution be able to set their own fees. This was on the condition, that any university which charges fees above £6,000, pay a levy to help fund a national student support system. The proposed increase in fees would consequently introduce more investment for universities, provided them being able to persuade fee paying consumers that they would get more in return for paying more. The underlying principle put forward for this was that money must follow the student, hence student choice must shape the higher education landscape. The other key principle of the recommendations was that, students should only pay towards the cost of their education once they are enjoying the benefits of higher education. Graduates should hence start repaying their loans only once they start earning above £21,000, and the payments would be linked to their income. The review also recommended that, everyone who had the potential should be able to benefit from higher education, and instead of paying upfront for the first time, part-time students should be treated the same as full time students for their cost of learning.

The response of the Conservative led and Liberal Democrat supported coalition government was delivered in the form a white paper in November 2011, titled '*Students at the Heart of the System*' (DBIS, 2011). The thrust of this white paper is summed up below:

*Our reforms tackle three challenges. First, putting higher education on a sustainable footing. We inherited the largest budget deficit in post-war history, requiring spending cuts across government. By shifting public spending away from teaching grants and towards repayable tuition loans, we have ensured that higher education receives the funding it needs even as substantial savings are*

*made to public expenditure. Second, institutions must deliver a better student experience; improving teaching, assessment, feedback and preparation for the world of work. Third, they must take more responsibility for increasing social mobility.*

(BIS, 2011:4)

The White Paper endorsed core ethos of the Browne report, that undergraduate higher education in England, would now mostly be funded by private contributions, to be derived from tuition fees, repayable as government backed income contingent loans. This would mean that a large part of teaching funds must now rely upon how many students universities are able to attract, although science, technology, engineering and maths (STEM), subsidies would continue at a reduced level. The tuition fees were capped at £9,000, rejecting Browne's recommendation of uncapped fees and the associated levy. Student number controls were also introduced, whereby overall student numbers were capped for each institution, although they could recruit as many AAB or above at A level. In addition about 20,000 places were reserved, and could be bid by those institutions charging less than £7,500. The White Paper also sought to make it easier for new providers to enter the sector, by reviewing the use of the title 'university', to make the sector more diverse, responsive, and efficient and, whilst striving to be more effective in providing better value for money. The White Paper also intended that well informed students would be driving teaching excellence, by the creation of the Key Information Set (KIS). This provision of information by higher education institutions it is envisaged will enable:

*Better informed students will take their custom to places offering good value for money. In this way, excellent teaching will be placed back at the heart of every student's university experience.*

(BIS, 2011:32)

The White Paper had intended that the reforms would help create an efficient higher education sector, with stronger links with businesses. It also sought the dismantling of barriers to fair competition for students, by being explicit about exposing English universities, to the rigours of a much more competitive market-based approach.

## 2.4 The case for and against the introduction of a more market-based approach in English Higher Education – Part 2

### 2.4.1 Some reflections on policy making in English higher education – the economics is easy but the politics is complex.

According to Barr (2012), the economics of higher education finance is relatively straightforward, it is the politics associated with policy making which is the complex part. The government white paper on higher education (BIS, 2011) is described as such an example. This is when coalition politics as pointed out by Carasso and Gunn (2015), led to a political compromise curtailing the creation of a less restricted market, that had been proposed by the Browne review (Browne, 2010). According to Willetts (2015), this resulted in fees being capped at £9,000, because the coalition partner of the Conservative Party, the Liberal Democrats had taken an anti fee stance, in their election manifesto prior to the 2010 general election, whilst the Conservatives were open to the outcome of the Browne Review, and took a pro fee position.

The likes of Hillman (2013), argue that market-based reforms had been more evolutionary rather than being described as radical by the likes of Callender (2013). According to Brown (2015), marketisation had been the direction of travel, especially since the start of the 1980s. Foskett (2010), advise that the current reforms to English higher education is not a process of marketisation, but a process of enhanced marketisation, with markets driving the world of universities in a way unprecedented in their history. As a consequence the higher education sector has become a knowledge based service industry, within which universities had already become enterprises with diverse missions, profiles and character. According to Bretton and Lambet (2003), universities had been a key element of the economic profile of the UK, but now they had also become a key component of the global services sector.

#### 2.4.1. (1 ) The chaotic nature of policy making in higher education

Shattock (2013), asserts higher education policy initiatives that led to the expansion of higher education from an elite to mass system, and funding shift from grants to income-contingent loans, was not planned or rational as it might seem. This nature of policy making is

characterised as Watson (2014), as policy mood swings and by Shattock (2013), as disjointed incrementalism. They both also point out, that all three major higher education reviews Robbins 1963, Dearing 1997 and Browne 2010, were all enforcing the status quo. They were all bi-partisan and policies had been cherry picked from them, by politicians of the day. According to Hillman (2014), the Browne review was also such a case, having been commissioned on a cross party basis just prior to the general election of 2010. This was because of increasing pressure from universities for further fee increases to increase their incomes. However politicians from both major political parties, the Labour and Conservatives had wanted this tricky issue of higher education funding postponed till after the election to avoid voter apathy. Scott (2013), concludes that the process of policy making in higher education had been incremental, unpredictable and chaotic.

#### 2.4.1. (2) The breakneck speed of policy making in higher education

The Browne Review (Browne, 2010), reported its recommendations to a coalition government in 2010, and the subsequent white paper (BIS, 2011), supported the review's ideological thrust of a more marketised higher education sector, with students as consumers at the heart of the system. According to Carasso and Gunn (2015), however the reforms and particularly the cap on fees and student numbers was seen as a political compromise to appease the coalition partner, the National Union of Students and universities against the backdrop of reducing public expenditure in a tough economic environment. Westwood (2014), adds that policy was made at break neck speed with little time to reflect, on how and why policy was being made, calling it a policy making frenzy. He contends that more than policy, it was about ideological considerations such as the political belief in market competition, and the need to tell a good story. He argues that the combination of human capital, knowledge and growth had proved a powerful and irresistible story for successive politicians. According to Carasso and Locke (2015), the expansion of higher education for continued economic growth and improving individual life chances, to justify increased tuition fees has proved be a great story. Brown (2013), hence claims that too often major political decisions were motivated by 'policy-based evidence' rather than 'evidence-based policy' in a quest to make short-term political gains.



#### 2.4.2 The justification for the funding reforms as unleashing the forces of consumerism

According to Scott (2015), when Lord Browne introduced the Browne report (Browne, 2010), he described the report as heralding a paradigm shift for English higher education. The then minister for universities David Willetts subsequently confirmed the response to the Browne Review, in the form of the white paper (BIS, 2011), that claimed to put students at the heart of the English higher education system. Willetts (2011), asserted that the changes to the financing system would drive structural reforms, these would unleash the force of consumerism, by harnessing the power of the student. The funding shift in English higher education mainly through loans for all, instead of grants for all has been historically sketched by Nick Hillman as a gradual shift that had been taking place since 1960. Hillman (2013), who was a special advisor to the universities minister David Willetts, insists that this had been part of a historic trend to put more financial onus on the direct beneficiaries of higher education-former students (graduates)-and less on the generality of taxpayers.

##### 2.4.2. (1) Reforms a necessity to sustainably fund English higher education

Willetts (2013), defended the shift of funding English higher education through more private sources such as income-contingent loans as a necessity. This was linked to the pressures of reduced public funding in a tough economic climate. He emphasised that alternatives in a climate of austerity, would have resulted in less funding per student or a reduction in student numbers. He argued that this would have meant damaging the quality of education, and a lower proportion of young people to go on to higher education. Willetts (2015), iterates the importance of expanding higher education and therefore not compromising upon the Robbins principle of, higher education for all those qualified who want to pursue it. He states that there was a recognition for the economic, social and individual benefits of higher education. He therefore insists that the funding reforms were the only sustainable way, to finance and maintain the quality of richness and diversity, within a range of English universities. He believed that as a result of the reforms not only universities would be better funded, but this would also help reduce the burden of financing higher education from the public purse. He claims that the reforms recognise the public benefits from higher education, although insisting

that graduates earned more than non-graduates, in justifying the shift in public (taxpayers)-private (graduates) contributions from 60/40 to 40/60 per cent.

#### 2.4.2. (2) Money following the student will make universities responsive to student choice

Willetts (2011), also envisages that by funding following the student, would make student choice critically important to universities. He believes this would incentivise universities to strengthen the university experience, to provide their students with enhanced quality of teaching, and an increased quantity of contact time. This he points out would also help make student choice of institution and course much more transparent, through the introduction of metrics such as the key information set (KIS). This would require all English higher education providers to display information about factors such as employment rates, starting salaries, associated costs and contact hours on their websites. The intention would be to provide clarity of information with regards to value for money, with the intention of increasing competitive pressures upon English universities.

#### 2.4.2. (3) A rising tide would lift all the boats

Willetts (2011), states that changes to English higher education policy were also part of the coalition's broader plans to reform the public sector, with a purpose to modernise them in the interests of those who use them. These he clarified would be through reforming the supply side of the English higher education sector. This he explained would be achieved through what he described as the powerful driver, of making it easier for new providers to enter the system. He suggests that these new providers would do things differently, in ways none could predict, and it would be this rising tide that would lift all boats. Willetts (2012), insists that the English higher education system had been built upon the creation of successive waves of new types of institutions. He claimed that incumbents had often dismissed this as reductionism of standards, that when University College London was created in 1828, as a challenge to the Oxbridge monopoly, it was denounced as a mere lecture bazaar.

Willetts (2011), had also hoped that the supply side reforms to make it easier for new providers to enter the sector and enabling further education colleges to expand, by allocating core number controls, as to how many students each university could recruit. Institutions

were allowed to recruit any number of students with AAB results in their 'A' level exams. Institutions that set fees at or below £7,500 were also allowed to recruit from a flexible margin of 20,000 places. It was envisaged that this would create incentives for universities, to compete for students with good 'A' levels. Willetts (2011), had also visualised a level playing field for alternative providers, who he had hoped would compete by offering a more transactional model of higher education. It was also the intention that these sorts of controls and incentives would create conditions for universities to set variable fees, that they would have charged the maximum of £9,000, only in exceptional circumstances.

#### 2.4.2. (4) An encouragement for universities to become bolder and more entrepreneurial

Willetts (2015), claimed that another reason for increasing the fees up to £9,000, was to provide universities an income stream, which would enable them to borrow more money to fund their capital investment. He illustrates, that financiers had always advised in the past that universities' balance sheets were very conservative and they could borrow more. He had also envisaged that this would encourage universities to become bolder and more entrepreneurial. He conceded that it was a source of frustration to him, that international education chains like Laureate or Apollo had grown globally, when there wasn't really any British equivalent. He argued that most universities had a trusteeship model, however he suggested the need for some universities with an enterprise model. He wanted these entrepreneurial universities to recognise the opportunity to operate in across continents, to expand in size, and become a great British export. To this effect he states:

*I did think – and I still hope – that one or two universities would convert into a limited company in order to raise a large amount of money and expand. I had commercial investors saying to me that if British higher education came up with an investable proposition, they would put a billion into creating a global chain.*

(Willetts cited in Gill, 2015:1)

It can be summed up that the intention of the funding reforms to English higher education, were aimed to influence the demand-side. This is sought to making universities more transparent in demonstrating value for money, in return for the higher fees. The reforms were also aimed at influencing the supply-side, by making it easier for new providers to

enter the sector. The reforms were created to encourage universities to compete for the best students and create conditions for charging variable fees. It was intended that universities would charge the maximum fee of £9,000 only in exceptional circumstances. It was visualised that some universities would embrace an enterprise model, raise money and expand to become a global brand. Overall it was justified that the funding reforms were the only way of sustainably funding, without jeopardising a mass higher education system.

#### 2.4.3 The arguments against funding reforms, put market not students at the heart of the system

The opponents of the funding reforms to English higher education such as Bekhradnia (2013), contest that the reform plans place the market not students, at the heart of English higher education. These reforms are therefore deemed as radical by Callender (2013), signalling a retreat of the state's financial responsibilities. Bekhradnia (2013), goes even further to assert that ideally the Government would like the individual universities to be responsive to student choice, and take upon themselves, what fees to charge and how many students to admit.

##### 2.4.3. (1) An assault on universities

The critics of these reforms such as Bailey (2011), go much further calling them an assault on universities, which needed to be resisted. Giroux (2015), suggests that this implies that higher education is no longer seen by the government as essential in its role in the public sphere, or of value to society, hence not worthy of public funding. According to Holmwood (2016), instead the government wants to promote higher education narrowly only in terms of a private investment in human capital, and on returns of that investment for individuals and the wider economy. This is therefore projected by Giroux (2013), as the takeover of neo-liberal market values, based upon the assumption that the market can replace the democratic state, as a producer of cultural logic and value. Lynch (2006), adds that the marketisation of universities with its origins in neo-liberal politics, glorifies the idea of consumer citizen, providing credence to the notion of student as customer. This transference of the consumer citizen to student as customer Giroux (2002), claims could have very serious implications.

#### 2.4.3. (2) Higher education trapped in competition fetish

These implications are manifested through the use of terms such as the commercialisation (Bok, 2003), and corporatisation (Kirp, 2005), of universities leading them to behave as service providers, delivering education as just another commodity, for those that can afford to buy it. The core principle of the reforms is, that money should follow the student, this making universities more responsive to student choice. This it is envisaged will lead to the intensification of competition, between incumbents and new providers. This Lyotard (1984), advises not only endangers commodification, but according to Naidoo (2016), may also lead higher education to be trapped in what is described as competition fetish.

According to Naidoo (2016), this competition fetish stems from the modern day magical belief that competition will provide the solution to all problems. In fact Naidoo (2016) argues to the contrary, that competition instead could be detrimental in creating inequalities, and reproducing the hierarchies that already exist between universities. Cook and Frank (2010), point out that the quest for higher rankings in the education market place, to be able to bid for various resources, could lock universities in what is described as the positional arms race. They also advise that this 'arms race' could prove to be expensive, resulting in a winner-take all market, in which success breeds success and failure breeds failure. This McMahon (2009), points out, could jeopardise the benefits of universities working together, towards the greater good of tackling the wider issues facing society. According to Walter McMahon, this drive to compete might also encourage institutions, to become narrowly focused upon being internally efficient and organised, at the compromise on being externally inefficient, in delivering outcomes and benefits expressed to the wider society.

Naidoo (2016), suggests that a balance must be struck, by deciding which aspects of higher education may benefit from competition, and those that might need to be protected by institutions collaborating as collectives. Frank (1999), adds that to move forward effectively, institutions must be permitted to come together to defuse the positional arms race, of the quest for higher rankings in various league tables. McMahon (2009), on the other hand insists that the pressures of competing in a market, might result in a short-term focus on internal

university management. This he speculates might incentivise market and efficiency oriented individual universities, choosing to provide only those courses or commodities, which might narrowly benefit only the fee paying private individuals. This he argues will be at the detriment of the public values of higher education, of delivering long-term non-market outcomes, which are also beneficial to wider society. This he advises is to carry the notion of efficiency too far, at the expense of jeopardising the interests of the greater good and future generations.

#### 2.4.3. (3) An earning university as opposed to a learning university

Kirp (2003), observed that the demand for more funds and new revenue streams to replace the decrease in public spending had also played a part in cultivation of competition, by a new breed of rivals that live and die by the market. He contended that this would give rise to a trend of the entrepreneurial university, therefore would explicitly recast universities as commercial businesses. According to Fisher and Koch (2004), the mere use of the entrepreneurial evokes antipathy in higher education. This is seen to manifest an objectionable vision of a non-academic, profit-driven business firm that is uninterested in the traditional academic values. Duke (2002), adds that cynics might also see the blind pursuit of the entrepreneurial agenda to be named as the 'earning university' as opposed to the 'learning university'. Slaughter and Rhoades (2004), suggest that another implication of the market pressures is that universities would shift from a public good knowledge regime to an academic capitalist knowledge regime. They explain that the basis of the public good knowledge regime is that science leads to the discovery of new knowledge, leading to public benefits. The academic capitalism knowledge regime they compare values knowledge privatisation and profit taking in which the institution, academics and sponsoring organisations have stakes that come before those of the public. Knowledge is therefore construed as a private good. They argue that the academic capitalism model sees little separation between science and commercial activity because it is geared towards the creation of high-technology products and services for a knowledge economy. Rhoades and Slaughter (2004), believe that this corrodes the public ethos of research and education, by turning them into commercial commodities and private consumable items. According to Williams (2013), hence there should be limits on the marketisation of higher education, contending that the idea of profit making by universities would be a step too far.

#### 2.4.3. (4) Private providers as cash points to access loans

The other key strand to the reforms to English higher education is the explicit intention to expand the supply side of higher education provision, through encouragement for alternative providers to be able to offer degrees. According to Temple (2013), there is also a clear policy intent that private for profit providers are able to enter the higher education market place, by removing barriers for them to be able to offer their own degree qualifications. This Wolf (2016) cited in Ratcliffe (2016), warns may lead to an American-style catastrophe in English higher education. These, she adds, could damage the reputation of UK's higher education and leave students at the risk of buying worthless degrees. These private universities have therefore been characterised negatively as 'diploma and accreditation mills' by Cohen and Winch (2011), open to abuse, to be used as cashpoints by bogus students to access loans.

According to Malik, McGettigan and Domokos (2014), the increased number of students at these providers, raises fears that they have been benefitting from tax payer subsidy without undertaking proper study. They also raise concerns about the quality of education and student experience provided by such providers, at the expense of public money. McGettigan (2015), speculates that investors and hedge fund managers are lobbying the government to open up the sector, as investment in a higher education venture would be beneficial for businesses and their shareholders. Temple (2013), believes that the profit motives of individual enterprises would take precedence over wider social benefits, as these providers will only provide courses which yield the maximum return on investment.

Hillman (2014) and Higher Education Commission (2013), argue that in order to safeguard the reputation of the sector, the regulatory differences between universities and private providers be resolved. They call for the creation of a single regulatory framework, in order to create a level playing field for all higher education providers. The current situation that distinguishes regulation for public and private providers is described Hillman (2014), as resembling an unkempt meadow, rather than a level playing field.

#### 2.4.4 The challenges of creating a classical economic market in higher education

The critics of the market reforms such as Brown (2010), believe that creating a classical economic market in higher education is considerably complex. Bekhradnia (2013), asserts that the government is a long way from creating a market based system, due to two main reasons. Firstly he advises, that the income-contingent loans that have replaced grants, are still heavily subsidised by the tax payer, therefore carry a cost to the public purse. It was for this reason that, that government had to introduce student number controls, on how many students each university could recruit and the fees having to be capped at £9,000.

The second problem according to Bekhradnia (2013), for the government was that it had fundamentally misunderstood the nature of the higher education market. The government had hoped that different universities would charge different fees, and would charge the maximum of £9,000 only in exceptional circumstances. This had not come to fruition, as almost all universities had charged the maximum fee. The reasons given for this by Wyness (2013), was that demand for university places still outstrips supply. Another was what economists call the 'Veblen effect'. This is when for some products, such as higher education, their value and reputation are judged by their price. Hence the more expensive, the better it is regarded. It, therefore, implies that any university charging a lower fee could be negatively perceived as offering lower quality qualifications.

##### 2.4.4. (1) The challenge of market failures

The other major complexity of creating a conventional market in higher education according to Hemsley-Brown (2011), is in circumstances where the market mechanisms fail. This therefore requires government intervention, because higher education has positive externalities. These are the benefits of higher education that spill over, from the educated individuals to the rest of the society. Agasisti and Catalano (2006), and Jongbloed (2003), identify four main reasons or market failures, for why government intervention is needed. Firstly, students may not be fully aware of these positive externalities or spill over effects, that investment in education benefits society as a whole. They might therefore choose to study courses, which provide the highest return on their investment, in the form of increased job



and salary prospects. It is hence reasonable that government contributes towards the cost of realising these benefits, to fund courses which are less popular, yet socially beneficial. Secondly to deal with information-related problems, to ensure applicants are able to make informed choices. Thirdly to prevent monopolies and reduce barriers for new providers to emerge. Fourthly to deal with market power created by the traditional hierarchy of institutions, which may present barriers for less prestigious or any new competitors to compete on an effective basis.

The consequences of trying to create a 'market' in higher education are complex and often perverse. According to Teixeira (2006), despite government intervention, the dangers of increased marketisation alongside, a decrease in public funding, may lead to a decrease in public benefits. This could also be a result of the unintended consequences, of student choice becoming biased towards studying courses which result in them obtaining employment which offers maximum salaries. This would be to the detriment of less popular courses, which might not necessarily lead to the best financial rewards in employment, but are highly beneficial to society. Brown (2012), believes that despite attempts to provide more information, students will continue to make choices, based upon intangible factors such as the bias from their own socio-economic backgrounds and the reputation of universities. He also argues that consumer information has to be available before purchase, but student education is a post-experience good. The quality of education according to Weimer and Vining (2015), can only be appreciated by the user during, and mainly long after completing an education programme.

#### 2.4.4. (2) Market is a metaphor for competition

Marginson (2014), claims that most of the competition driving the sector is not about buyer-seller economics in the marketplace. It is about older qualities such as institutional prestige, selection on high demand programmes and research excellence. This he believes will continue to remain challenges of less prestigious institutions, trying to break into traditional hierarchies. This, he predicts, will limit the impact of new alternatives providers, who are allowed in to the so called market. He asserts:

*The “market” is a metaphor for competition and, for politicians, an excuse for devolution of responsibility for outcomes from government to higher education institutions. As a technical descriptor it is grossly inaccurate.*

*The fact is that it is impossible to introduce a genuine economic market in higher education – one driven by profit motive, open contestability of provision, bankruptcy sanctions, free consumer “shopping” and choice, allocate efficiency and the struggle to maximise market share, without vaporising much of the product itself.*

(Marginson, 2014)

According to Bertolin (2011), a largely free market in higher education seems really difficult to implement, since that would require certain conditions to be fulfilled. These conditions are the absence of rules for entry, permanence, and leave of institutions and courses in and out of the system. The institutions should all be private, financing should also be largely private, the competition to supply the various services offered by the institutions could not suffer any intervention from the state. In the case of a higher education contrary to these market conditions, is the need for governments to intervene to address market failures, in order to maximise social benefits and ensure adequate levels of equity. The strategic mission of higher education in the economic development of countries, also leads governments to invariably intervene in higher education.

#### 2.4.4. (3) Quasi markets combining state regulation and market mechanisms.

Teixeira (2013), adds that the adoption of the market as the single element of regulation and the establishment of perfectly competitive market are highly unlikely. This is due to the specificities of higher education that engender market failures, in a context of fair competition. Moreover government interventions are required for the purpose of achieving the social benefits, and strategies to deliver of socio and economic development. Therefore, the contexts of competition emerging in times of commercialisation of higher education, can be better classified as ‘quasi-markets’ a term coined by Bartlett and Le Grand, (1993). These are more than just perfectly competitive markets, as they combine state regulations with the introduction of market mechanisms.

#### 2.4.4. (4) Not a single homogenous market

Brown and Carasso (2013), also clarify that in undergraduate education there is no single market, but a whole series of quasi markets too. These comprise various levels; (certificate, diploma, degree, extended degree) of provision, modes (full-time, part-time, etc.) and course lengths. There are also a huge range of subjects and disciplines, which themselves divide into many sub-disciplines and areas of study (even a conventional academic subject like history has many different types of courses, as well as over a hundred course providers). These quasi markets are continually changing in response to changes and expansion in the academic knowledge base, developments in the wider economy, changing student preferences, periodic attention in the media, including social networks. This is not to mention changing government policies to support or promote particular subjects such as STEM (science, technology engineering, and math's) or particular themes such as employability.

In conclusion Hemsley-Brown (2011), contends that in the UK this quasi-market system of higher education, had moved further towards a free market. This was based on raising income through tuition fees, rather than public subsidies. The system however was moving further away from a quasi-market, towards a market. This major shift had still failed to meet some of the essential requirements, for a true market required to succeed.

#### 2.4.5 Who benefits and who should pay for higher education?

Scott (2015), argues that modern higher education systems should be seen as primarily conferring private benefits on their students on graduation, in terms of improved earnings and life-chances. Alternatively whether higher education produces public benefits, of which students are only one of the beneficiaries is an old and unresolved debate. However, according to Willetts (2015), there is little doubt that higher education benefits both private individuals in terms of individual benefits and the wider public in terms of social benefits. The unresolved question, according to Psacharopoulos (2009), is who benefits more and, therefore, who should pay for a mass higher education system? These debates have been resurrected again, particularly since the government controversially announced a reduction in public spending,

and shifting towards a privately funded higher education, in the form government subsidised income contingent loans. Paradoxically, the government announced its intention to further expand higher education, from the 2015-16 admissions cycle. This would mean that English universities would be free to recruit as many students as they like, bringing an end to the policy of student number controls, but it remained unclear as to whether this expansion would be funded by public or private sources of income.

#### 2.4.5. (1) The wider benefits of higher education

It is suggested that higher education provides a wide range of benefits that could be placed along two main axes. On one axis are the individual economic benefits which are distinct to the social economic benefits. The other axis comprises of individual non-economic benefits, which are distinct to social non-economic benefits. These benefits have been placed along these axis, and into four quadrants in **figure 1**, a matrix developed by Brennan, Durazzi and S  n   (2013).

	Economic	Non-economic
Individual	<b>Quadrant one: Individual economic benefits</b> <ul style="list-style-type: none"> <li>- Higher earnings.</li> <li>- Less exposure to unemployment.</li> <li>- Increased employability &amp; skills development.</li> </ul>	<b>Quadrant three: Individual non-economic benefits</b> <ul style="list-style-type: none"> <li>- Longer life expectancy.</li> <li>- Less likely to smoke, to drink excessively, to be obese.</li> <li>- More likely to engage in prevention care.</li> <li>- Better mental health.</li> <li>- Greater life satisfaction.</li> <li>- Better general health.</li> </ul>
Wider	<b>Quadrant two: Wider economic benefits</b> <ul style="list-style-type: none"> <li>- More tax receipts.</li> <li>- Increased exporting.</li> <li>- Improved productivity.</li> </ul>	<b>Quadrant four: Wider non-economic benefits</b> <ul style="list-style-type: none"> <li>- Less crime</li> <li>- Greater propensity to vote, to volunteer, to trust and tolerate other.</li> <li>- More dynamic cities.</li> </ul>

Figure 1 The benefits of higher education – Brennan, Durazzi and S  n   (2013:22)

#### 2.4.5 (2) Do individuals benefit more from higher education than society?

This matrix captures the wide ranging of benefits from higher education, however another old and unresolved debate is, who benefits more, the individual or the society. The ‘individual benefits more’ is justified by putting forward research evidence by the likes of Walker and Zhu (2013). Their research findings basically conclude that, graduates consistently earn more than non-graduates. Although the value of this graduate premium is contested by the likes of Thompson and Bekhradnia (2012), as being variable between subjects, institutions and the gender of the students. A research study conducted by Britton, Dearden, Shephard, and Vignoles (2016), confirms that the graduate premium and graduate earnings, were subject to where and what subject. The research also found that those from a higher socio-economic background, earned more than their lower socio-economic background peers. This was the case despite graduates studying the same subject within same or similar institutions. It is therefore suggested that salary and employment are both aspects that individual students consider important, whilst seeking to invest in their individual higher education decisions. It therefore emphasises the need for individual institutions to provide this information. This, the government white paper (BIS, 2016) envisages, would encourage prospective students to become more discerning as investors, in deciding what and where to study. The highlighting of graduate earnings at individual universities would also, the government envisages would make them more responsive in providing a better teaching experience. This could also provide the basis, for the level that different universities would be allowed to set their fees at in the future (BIS, 2015).

#### 2.4.5. (3) Successive governments downplay public benefits of higher education

The critics such as Forstenzer (2016) argue that, since the late 1990s, successive governments had taken the view that that the private benefits of higher education were significant enough to justify introducing and then increasing tuition fees. By advocating the private benefits, successive government had downplayed the public benefits of higher education. Carasso and Locke (2016), therefore assert that public funding through subsidised income contingent loans, directed towards the realisation of private benefits fails to support the wider public

benefits of higher education. Forstenzer (2016), also fears that in downplaying the public benefits of higher education, the 'resume virtues', which students will bring to the employment marketplace, would take precedence over the 'eulogy virtues' that one is kind, brave, honest or faithful. He insists that it was therefore important to stimulate the student's mind, about the wider public benefits of going to university. This would help them think beyond just their individual worth, and ultimately leading lives meaningful to them and others.

Marginson (2016), argues that part of the reason that public benefits are downplayed is that they are difficult measure, and that no concerted attempt has been made to measure their value in economic or social terms, despite the rhetoric about public benefits. Although in the United States, the public benefits proponents have already put forward evidence, that more graduates are a crucial form of economic investment raising the performance of cities and regions (Moretti, 2004). Using US data McMahon (2009), calculated that 52 per cent of the benefits from higher education were private non-market and social, while 48 per cent private in form higher earnings than non-graduates. On this basis, he contended that the split between public and private funding for higher education should be consistent with the 52:48 ratio, therefore calling for higher government investment against the trend of falling public spending.

#### 2.4.5 (4) The public private contribution towards funding higher education

Although Collini (2012), holds that universities have multiple and broader purposes such as, raising the intellectual tone of society, thereby implying that higher education is a public service and therefore should be entirely publically funded. Williams (2016), responds by pointing out that the benefits of higher education are not all public nor private. The debate therefore should not be over whether higher education is a public or private good. It should be over what fraction of the cost of higher education be covered by income from private sources such as income contingent loans, and how large the public contribution should be through government subsidies.

McGettigan (2013), is also sceptical as to whether the further expansion of English higher education is financially sustainable, especially if the graduate premium declines, due to a possible oversupply of graduates. This he argues could impact upon their ability to repay their income contingent loans, and therefore costing the public or taxpayer more. This is significant as the expansion of higher education according to Wolf (2002), has been utilised by successive government as a powerful socio-political narrative, that more graduates are beneficial for economic growth. This in return will help deliver individual and social prosperity, which benefits all. Westwood (2014), suspects that the financing of the subsequent expansions of higher education, therefore does not stack up in comparison to the political ambitions. It is also for these reasons too, that the public and private balance of funding higher education will continue to remain a complex and contentious challenge, for both policy makers and politicians alike.

Williams (2016), advises that arguments on, public or private benefits and who benefits more are essentially about who finances higher education. The OECD (2016), predicts that more people would participate in a range of higher education programmes, to be offered by an ever increasing number of higher education providers. This meant that the question of who should support an individual's efforts to acquire more education, the government or individuals themselves, and to what extent, will continue to be contested. Barr (2012), points out that the balance between public and private funding is not just or even very largely a matter of economics, it is about politics and ideology as well. Hillman (2016), endorses that countries with right wing ideologies such as England have reduced the public contribution and rely increasingly on fees. Left wing governments such as some of the Nordic countries, have sought a different balance. According to Willetts (2015), in England the 2012 funding reforms meant that the coalition government was broadly shifting the balance of funding from 60/40 public/private to 40/60. This he points out is directly relevant to the current political argument and consensus, that graduates earn more than non-graduates. It is hence only fair that they should contribute more to the costs of higher education. This is despite the recognition that higher education has much wider public benefits that go beyond the individual.

Schleicher (2016) cited in Morgan (2016), points out that both private returns to individuals and the fiscal benefits to the governments are very high. This he suggests makes higher

education a good investment for both individuals and governments. He however concurs with Willetts (2015), that there is no ideal balance between public and private funding of higher education. They both claim, that it's about how the limited or declining public funding is best utilised, to maximise participation of the most able people, rather than ration student numbers. According to Willetts 2015:

*There is a second reason why it is hard to match the mix of public and private payment to the balance of benefits. Given that public spending is limited, a system which depended on high levels of public spending per student is likely to ration student numbers. Turning away people who wish to go to university, and could benefit from it, is bad for them and bad for the economy. So, there are strong arguments both for economic efficiency and of social mobility for a system which does not ration student numbers and that points to a significant element of graduate repayment.*

(Willetts, 2015:14)

#### 2.4.5. (5) The shifting notion of public goods

Marginson (2016), notes that all national policy calculations of public/private shares of benefits and cost are arbitrary and assumptions driven. He explains that there is no way of accurately calculating the exact value of public and private benefits, because they do not enter a market or a public budget, therefore asserting that shadow prices are guesswork. He argues that the problem is due to the conceptual and empirical confusion about the public and private benefits or outcomes of higher education. According to Marginson (2016):

*This difference between the state/non-state approach, and the non-market/market approach, runs through the public/private debate. Both kinds of distinction are important, and arguably both affect 'publicness' or 'privateness' in higher education. Academic commentators and policy players slip from one distinction to the other without noticing, or freely mix them up together. Sorting this out is an important step forward in clarifying the public/private distinction in higher education and other sectors.*

(Marginson, 2016:6)

Scott (2015), agrees that the balance between public and private benefits is both volatile and variable, because calculations can depend on how specified outcomes are defined and could be of different value, depending on what individuals, social groups, communities and



regions. He suggests, that this has been a blurring of the distinctive notions of the public and private. He also observes that ideological fashions might have been more influential than economic calculations. He argues that the ideological resonance with neo-liberal ideas since the 1980s, has led to the evolution of the welfare state to what has been labelled as the market state. As a result the state as a provider, has been succeeded by state as the regulator. It is against this background that quasi-market mechanisms have been encouraged in higher education. Scott (2015), also points out that the organisational culture of universities has also gone through far reaching changes. These include the rise of the entrepreneurial university, shift from academic self-government to managerialism, emergence of consumerist behaviours focused on student satisfaction, and intensified competition promoted by league tables.

These ideological and cultural shifts have encouraged the benefits of higher education to be judged in terms of instrumental outcomes. This has brought higher education closer the market, and outcomes more readily defined as private benefits, than public goods which are difficult to calculate, and hence tend to be downplayed. Scott (2015), concludes that the idea of public goods has not only shifted due to these developments, it has also become almost routine for public goods to be produced through markets. There has been a blurring of boundaries between public and private benefits of higher education.

## 2.5 The Consumerism Debates – Part 3

### 2.5.1 The rise of consumerism in higher education

According to Schwartzman (2013), the market mentality that Scott (2015), has talked about is also characterised as an encroachment, which has led to the creeping of consumerism into higher education. Gabriel and Lang (1995), explain that consumerism has five different connotations, firstly as a moral doctrine that is viewed as a vehicle of freedom, power and happiness. Secondly it is also a means of demarcating social status on the basis of what individuals buy, thirdly a vehicle for economic development based on consumers spending. Fourthly it is a public policy which promotes the notion of citizen as consumer, and lastly a social movement, which seeks to promote and protect the rights of the consumers.

Consumerism is therefore defined by them as a collection of behaviours, attitudes, and values that are associated with consumption of material goods. Sandel (2012), notes that consumerism is also symptomatic of the reach of markets and market-oriented thinking, into aspects of life traditionally governed by non-market norms. This he argues has led to the creation of a market society, where market relations, incentives and values come to dominate all aspect of life, this includes higher education.

Ball and Youdell (2008), suggests that consumerism in higher education is manifested in two main ways. The first that higher education has become a commodity that can now be bought and sold. The second manifestation of consumerism is the rise of consumer culture, which is described by Arnould (2010), as a system and a set of behaviours, which is dominated by the consumption of commercial commodities. It is therefore implied that, higher education will also be chosen and consumed, due to the explicit framing of students as customers. This part of the literature review hence focuses on the debates that underpin the rise of consumerism within higher education. These pertain to the commodification, consumer culture and student as customer, as a cause or/and consequence of the marketisation of higher education.

### 2.5.2 Is Higher education a commodity or not?

Baudrillard (1998), believes that in the consumer society, in which we now live, everything is narrowly organised around the consumption and display of cultural commodities. The ownership of cultural commodities had become a vehicle for individuals to display their prestige, identity, and standing. Gottdiener (2000), adds that these commodities were characterised by 'exchange-value' (to be produced and sold), rather than 'use-value' (the power to satisfy), and 'sign value' as an expression mark of style, prestige, luxury and power.

#### 2.5.2. (1) Higher education is a globally traded commodity

Woodson (2013), observes that this commodification of daily life has also touched higher education too. He states that higher education not long ago, was provided solely as a public good. However there has been a trend of falling state investment, rising tuition fees along with increased private funding. This trend Morgan (2010), confirms when coupled with the

growing world-wide demand, and an ever increasing range of providers, has not only prompted intense competition. This has also resulted in higher education, increasingly becoming a highly sought after and a globally traded commodity.

#### 2.5.2 (2) A service that is marketed between students and universities

Walberg and Bast (2003), endorse this by going even further in claiming, that higher education in this era of globalisation is a commodity. This, they explain, is because of the manner in which it is increasingly labelled, branded, marketed and sold to eager young consumers. These consumers are anxious to provide themselves with the best education that money can buy. These consumers believe that, the more expensive the education, the higher the payoff will be in its investment. According to Khanlarzade (2013), education is and has always been a commodity, as it is a service that is marketed between students and universities, as consumers and suppliers. He claims that the whole process of education starts with prospective students, looking for an education and universities offering their service to those interested. For a successful relationship to be established, universities must try to satisfy the student-customer. This so that each student is willing to maintain their business, with the university and also to promote it. In the end, this relationship produces a result, which is beneficial to both parties. Accordingly successful universities which apply the theory of Customer Relationship Management (CRM), would not be what they are now without it. Khanlarzade (2013), claims that in particular American universities who use CRM without apology have a successful management model. This enables them to balance the expectation set between themselves and their customers. Bejou (2005), explains that this management model comprises the stages of recruitment, enrolment management, retention, progression, and post-graduation. This allows these particular universities, to pursue goals of being a successful entrepreneur in the market, by attracting new student-customers and retaining current relationships, by providing quality education and a vibrant student life.

#### 2.5.2. (3) Do students increasingly see higher education as a commodity?

A study on student expectations and perceptions by Kandiko and Mawer (2013), found students as adopting a more consumerist ethos towards higher education, in wanting value-

for-money for what they now perceive, to be an investment in their future. This is sought through the number of contact hours and the availability of learning resources, in evaluating their teaching and learning experience. These consumerist tendencies are also being increasingly expressed, in demanding for more institutional investment on the wider student experience, learning spaces and the educational community. This is further echoed in other satisfaction surveys on student experience (Bekhradnia and Darian 2013), in which students perceived the lack of transparency, about how their tuition fees were being spent, as their biggest concern. OIA (2015), reported a marked increase in complaints from students, to the Office of the Independent Adjudicator. This could be seen as an indication of an increase in the propensity to escalate complaints, because higher education was now increasingly being realised as a commodity, by an increasingly consumerist student body. This, Tomlinson (2014), contends is the inevitable by-product of a market driven system, which actively positions students as paying customers.

### 2.5.3 Higher education should not be treated as a commodity

Miller (2010), reveals that commodification has alternatively been characterised by the use of terms such as, *Mcdonaldisation* (Ritzer, 1996), *Disneyisation* (Bryman, 2004) and *corporatisation* (Codd 2005), to critique the increasing consumerism as a negative consequence of marketising higher education. The commodified state is painted as problematic from social, institutional and pedagogical perspectives. These critiques seek to highlight moves from being a market economy, which is projected as a useful tool for organising productive activity to becoming a marketised society. This according to Sandel (2012), is a worrying development that encourages the commodification of all aspects of life. One aspect of this, Tilak (2008), argues could lead to universities being converted into knowledge factories. This shift in perception of the nature of higher education from a public to a private good, a commodity that can be traded has serious implications. He warns that the treatment of higher education as a private commodity could fortify it as a positional good, only meant for the privileged few. Molesworth, Nixon and Scullion (2009), also warn that commodification negatively transforms pedagogic practice from being a learning experience of challenge, risk and transformation, to the accumulation of employability skills as mere possessions.

### 2.5.3. (1) At odds with core academic values

The critics of commodification of higher education further argue, that treating it as a commodity might be damaging in a number of ways. Altbach (2001), believes that it will weaken the idea that university serves a broader public purpose. Holmswood (2014), is concerned that instead of serving public interests, higher education might become disengaged, to become an instrument serving narrow commercial interests. Tilak (2005), argues that it might weaken governments' commitment to public funding, and promote a rapid growth in privatisation, leading to profit seeking from higher education. This Olssen and Peters (2005), speculate may lead to knowledge capitalism, resulting in restricting the access to higher education. It could therefore widen educational inequalities within and in between nations. The likes of Kirp (2003) and Bok (2003) observe that it might impact upon the core academic values of knowledge creation, being commercialised and research being traded for corporate gain. Moriarty (2008), argues that this increasing emphasis on commercialisation and market forces in modern universities, was fundamentally at odds with a core academic principle, that of the disinterested scientist. Martin (2005), emphasises the jeopardising of the social contract, that the present generation finances the education of the future one. This Tilak (2011), warns may impede upon the progress of education systems, whilst straining the social fabric.

### 2.5.3 (2) Universities as corporate entities

Fischer and Suwunphong (2005), claim that higher education institutions have also become pre-occupied with the internalising of concepts such as customer groups, customer needs and customer satisfaction. Delucchi and Korgen (2002) suggest that this may lead to universities operating as corporate entities. Marginson and Considine (2000), speculate, that universities will become enterprise institutions that sell educational products. Morley (2003), points out that institutions were already becoming businesses selling university places and cultural capital, at both home and abroad. Currie & Vidovich (1998), add that universities are cooperating with businesses and selling research products and services. Trow (1968), had lamented about universities acting as credential mills, selling the certification of learning. This

Lange (1998), observes higher education becoming a screening function for employer recruitment. Lawson (1998), endorses that the commodity being sold by university, would be utilitarian skills and students will merely learn techniques to improve their capacity to be a function for the economy. Yang (2003), considers this as an absence of substantive knowledge from the classroom, turning the university into a roll-on-roll-off skilling factory.

### 2.5.3 (3) Erosion of academic capital

The commodification process according to Shumar (1997), has a discursive impact, on organisational culture leading to a drift away from core tasks, with employability as an output instead the learning process is valorised. White (2007), suggests that this creates defensive processes, such as transference of responsibility, becoming entrenched in the organisational culture, causing staff disaffection and anxiety. For Potts (2005), commodification renders teachers as vendors of educational products, who are pressed into a teaching mode. Naidoo and Jamieson (2005), emphasise that this leads to a passive student customer seeking an entitlement of having a degree, rather than being an active scholar. Molesworth, Nixon and Scullion (2009), add that this inevitably transforms pedagogic practice from being a learning experience of challenge, risk and potential transformation, to merely accumulating employability skills as possessions. The commodification Furedi (2010), contends will lead to the erosion of 'academic capital', at the expense of 'economic capital'. This Hayes and Ecclestone (2008), argue might encourage safe teaching and a therapeutic education, instead of encouraging students to become independent learners and critical thinkers, due to the constant threat of student complaints and litigation fears.

### 2.5.3. (4) A human right as well as a commodity

Brookes (2003), point out whether higher education is a commodity or not, is not always clear cut, as under certain conditions it provides the possibility to be both. Therefore rather than contesting, the focus should be on safeguarding the public character of higher education, through policies that are economically sustainable and socially just. Marginson (2007), concludes that this debate should move on, to resolve the dilemma of higher education being both a human right as well a commodity. They both state that the following questions should

be posed instead. How to prepare graduates for employment, which is both economically rewarding and socially useful? What might be the consequences of the growing relationship between publicly funded higher education and the private sector? How could universities communicate their purpose of wider societal support?

Schwartzman (2013), also believes that commodification does not deserve total condemnation, as it calls attention to a range of stakeholders ignored by pedagogic practice. According to Maguad (2007), implemented judiciously a commodity focused approach can improve responsiveness to students, identify areas to improve services, and contribute to how resources get allocated. Delucchi and Korgen (2002), acknowledge that the commodification of higher education is unmistakable and perhaps unstoppable. Naidoo, Shanker and Veer (2011), advise moving away from older models characterised by control over passive customer. These should be superseded by models based upon active student participation, encouraging the concept of co-creating knowledge. Miller (2010) asserts, that question the higher education community should address, is not whether or not they want to be sellers. It is contended that government policy, and its adoption by the student population, has established this. The question should be reframed to, what exactly is it that higher education institutions want to sell?

#### **2.5.4 Is the rise of consumerism in higher education a social extension or a deliberate political construct?**

It is posited by Ritzer (1996), that consumerism in higher education is merely reflective of the shift in wider values of contemporary post-modern society. This post-modern society according to Goulding (2000), is characterised predominantly by consumer culture, where people create a sense of who they are, through what they consume. According to Singh (2012), the term 'consumer culture' refers to mass consumption and mass production that is both fuelling the economy and shaping the perceptions, values, desires and the constructions of our personal identity. Economic development, demographic trends and new technologies profoundly are seen as the driver that influences the rise of consumer culture. Social class, gender, ethnicity, region, and age all affect definitions of consumer identity and attitudes, are all seen to be providing legitimacy to a consumer centric lifestyle. Arnould, Sheth and

Malhotra (2011), advise that consumer culture is a system in which consumption, as set of behaviours is found at all times and places, dominated by the consumption of commercial products and services. They reveal that in consumer culture predispositions toward social emulation, matching, and imitation are expressed through the market place choices. These are accompanied by the penchant for differentiation, individuality, and distinction also expressed through market based choices. Together these motives drive the rapid consumption of goods and services.

#### 2.5.4. (1) Consumer culture in higher education is a social extension

This consumer culture according to Ritzer (1996), will mean that universities although sometimes slow to change, are also likely to become much more like cathedrals of consumption. These he likens to Disney, cash machines and shopping malls. He further claims that like other service oriented organisations. The universities will also come to be resemble the diverse elements of any service provider. They will hence be as impacted by the growth of, new means or channels of consumption anywhere in the world, same as any commercial organisation.

#### 2.5.4. (2) Post-modern consumers

Students and their parents will therefore approach universities as post-modern consumers too. These post-modern consumers according to Berner and Tonder (2003), seek self-portrayal more prominently created through imagery or symbolic value, fulfilled through consumption. They increasingly seek, develop or affirm personal identity through the products and services they consume. From this lens, consumption is viewed as hedonistic rather than functional, self-affirming and compensatory rather than rational, meaningful or clear in its purpose. The students Rey and Ritzer (2012), speculate will therefore be completely familiar, with this world of conspicuous consumption before they enter university.

#### 2.5.4 (3) Post-modern university



This might result in creating of post-modern universities, those that simply become another component of the consumer society. According to Smith and Webster (1994), a post-modern university is both an economic and political institution with no grand organising principle, is heterogeneous, focused on economic instrumentalism. It is impacted by rising forces of managerialism, student as consumer, the rejection of authoritative knowledge and the massification of higher education. As Akbulut (2006) confirms, that organisations including universities now operate in consumer rather than a producer society, which came to exist with the development of a capitalist economic system. For example developments such as the Ford mass production system and the policies of trying to convert workers into consumers, by trying to make it convenient for them to buy a car. Bauman (1999) concurs, that present day society shapes up its members (students), to be dictated first and foremost by the need to play the role of the consumer. The norm that society holds up to these members is that, of their ability and willingness to play it. Nguyen (2010), concludes that the fluidity of post-modernism, that has consumer culture and consumerism at its core has led to uncertainty, instability and ambiguity. The resulting by-product is the dilemma of student as customers of higher education, a challenge that universities are now faced with, that they will need to respond to.

#### 2.5.4 (4) Consumer culture in higher education is a deliberate political construct

The contra argument put forward by Williams (2012), is that consumer culture in higher education and the narrative of student as consumer, is a deliberate construct of government higher education policy. At the heart of this are the changes to the funding system which Willetts (2011) posits, was to drive the structural reforms. These reform he defends, were designed to unleash the positive forces of consumerism, by harnessing the power of the student as consumer. These he asserts, should not be as a threat to the classic relationship between teacher and student, but an opportunity, to rebalance teaching and research. He argues that teaching in universities had been neglected at the expense of the focus on research. However Naidoo, Shankar and Veer (2011) disagree, by arguing that this consumerist turn in higher education might actually be counterproductive because it promotes passive learning which threatens a lower of academic standards. They however point out, that the conceptualisation of student as empowered consumer is a desired aspiration of government policy on higher education. This they believe is through the

implementation of instruments and systems, through which students can indicate the level of customer satisfaction and also by rankings of universities on various aspects of their performance.

According to Bessant (2014), this construction of students as consumers has its origins in two interlinking political-economic ideologies of neo-liberalism and new public management. These ideologies are characterised and justified as stimulating market control mechanisms to drive up competition. This is envisaged as a quest to modernise, reduce public spending by improving the efficiency and effectiveness, to drive up excellence within public organisations. It is argued these ideologies glorify the concept of the citizen as consumer who is capable of making market led choices. The state's role, according to Rutherford (2005), is one of a facilitator in creating market conditions for the consumer-citizens to exercise their consumer rights. Giroux (2002), states when transposed to education these ideologies have the consequence, of treating it as any other service to be delivered on the market, providing the consumer-student with choice. Lynch (2006), calls for resistance by suggesting a need to create an alternative discourse, against market-led ideologies. This she explains could be done by arguing the negative implications. The impact of which would change university culture from being a centre of learning to a business organisation. This, she adds, poses a threat to the critical voices, by regulating with market principles, rather than by scholarly advancement.

#### 2.5.4. (5) Consumer culture in higher education both a social and political construct

The alternative to politically constructing students as customers is put forward by Stolle, Hooghe and Micheletti (2003), as political consumerism. This is when choices are informed by attitudes and values regarding issues of justice, fairness and non-economic issues. The aim of which is to challenge the ethically objectionable market practices in higher education. This they propose could engage students as critical-citizens. This would therefore facilitate a two way discussion of nature of higher education that students would want. This vision of higher education would be shaped from a moral and ethical perspective, rather than as a commodity they choose to buy as a consumer-citizen.

The debate pertaining to the rise of consumerism in higher education, appears to place it as a socio-cultural or a political construct. The socio-cultural construct is characterised by the rise of consumerism, in a society dominated by consumer culture. This has simply crept into higher education too. It is therefore implied that students and their parents, now approach the choice of university education, as another commodity to be bought and consumed. The political construct proponents on the other hand characterise the rise of consumerism, and the positioning of student as customer, as a deliberate construct of government higher education policy. This, they argue, is to justify the new funding regime of increasingly funding higher education through private contributions. Alvi, Hafeez and Munawar (2014), state that such a separation should be addressed. They seek to do this by clarifying that consumer culture can be placed responsible, for influencing the political psyche. This has therefore led to shifting political sentiments of consumer culture, from the socio-cultural to a political frame. They explain that the rise of consumerism in higher education, as an extension of consumer culture from society, that has influenced the policy mind-set. The rise of consumerism within higher education is therefore a convergence of the socio-cultural evolution and political trends, impacting upon policy development. Student as customer can therefore be seen as social and a political construct, rather than one or the other.

#### 2.5.5 From the semantics of student as customer to moving beyond student as customer

Sharrock (2013), believes that due to the rise of mass higher learning, tight public funding and the intense competition for students, universities are being encouraged to see students as customers. According to Vuori (2013), student as customer is one of the most debated metaphors in higher education. She explains that the theme of student as customer has been approached by researchers in relation to neo-liberalism, economic rationalism, new public management, consumerism, commodification of education and total quality management. She observes that student as customer, has provided various stakeholder groups with a reference point, to discuss what is going on in higher education, and what will make it more versatile, effective and flexible.

This discussion has become more prominent in UK higher education since the 1990s, according to Hill (1995), initially based upon the idea of improving student satisfaction, by

improved quality assurance measures. As Little and Williams (2010), explain that the quality discourse frames teaching as a service provision, in which faculty members are seen as service providers, whose job it is to satisfy the needs of their student customers. This according to Jones (2010), reflects the newly constructed roles, which echo the potential power shifts in academia, whereby students bargaining power is seen to increase at the expense of faculty. According to Singleton-Jackson, Jackson and Reinhardt (2010), the customer metaphor also increases the bargaining power of university leadership and administration, as student evaluations might be used as decision making tools, sometimes against the wishes of faculty. Vuori (2013), adds that the customer metaphor is also based upon the idea that the choices of student-customer will enable the market to function. It emphasises that individuals know best, and are therefore able to make possible decisions, about what is best for them, based on their acquired information.

#### 2.5.5 (1) The proponents of student as customer

The proponents of the customer metaphor such as Hillman (2013), believe that universities can benefit, from recognising consumer-like behaviour amongst their students. It is conceded by Hamel and Prahalad (1994), therefore that successful organisations need to be customer oriented, regardless of their size or the industry they operate in. Davies and Bansel (2007), considers nothing distinctive or special about education or health, arguing that they are services and products like any other, to be traded on the marketplace. This Desai, Damewood and Jones(2001), confirm as the need for implementing the marketing concept and customer orientation in academia. The key to the successful implementation of this customer orientation Browne (2010), advises is to assess students' perceptions of an institution's commitment, to understand and respond in meeting their needs, add Pesch, Calhoun, Schneider and Bristow (2008). The customer metaphor is endorsed by Willetts (2011), because he believes that it would place teaching and students in a central position. Chung and Mclarney (2000), emphasise that it would activate and empower the students, as well as improving the quality of teaching.

Olssen and Peters (2005), observe that this responsiveness to the market interests of their customers can be considered as a desired supply-side lever. Taking into consideration the

policy intention of creating genuine competition in the market of higher education, it is understandable that there might be genuine economic advantages for HEIs to adopt the customer-oriented approach. They must do this by demonstrating their relevance to labour market conditions and prospects. Thus, it might not be surprising, that many HEI's are turning to student-customer orientation. Svensson and Wood (2007), suggest that this makes student recruitment campaigns play a very important role, in the students' construction of their university relationship. In their efforts to convince prospective students to choose them, universities will need to offer differentiated propositions, which might appeal to the anticipated needs of their targeted applicants. This will therefore make it incumbent upon universities to clearly distinguish them from their competitors. Newson (2004), advises that the resulting marketing messages set expectations for students even before they enter universities. He adds that the messages echoing the student's critical role in the higher education market, also have wide-reaching effects on the students' own potential identification. Moreover, if students are generally exposed to the constant marketing messages in their everyday life, then it may not be surprising that they start evaluating the courses and lecturers in a similar manner, as they evaluate other services.

#### 2.5.5 (2) The opposition to student as customer

According to Koris and Nokelainen (2015), in higher education literature the debate on student as customer is rather polarised. As Redding (2005), concedes that calling students customers elicits very strong, and more often than not, negative reactions among academic circles. Olssen and Peters (2005), observe that this might be because no professional, whether in the field of education, medicine or law, would be receptive to guidance from outside groups or other structural levels, except their peers. There are others, such as Argenti (2000); Chonko, Tanner and Davis (2002), who claim that student as customer does not contribute to professionalism. This is because, treating students as customers likens a HEI to an upmarket training provider, rather than a university. Emery, Kramer and Tian (2001); Holbrook and Hulbert (2002), also argue that education is one of the areas where customer orientation, with its short-term financial benefits and negative consequences, does not belong. Clayson and Haley (2005) contend this is because of the risk that it will result in the academic values of education declining, decaying and ultimately bring about their demise.

Hussey and Smith (2010), state that there are areas in which the customer analogy is inappropriate and even damaging because a student will get neither education nor qualification if they do not work sufficiently hard. This tendency to possess an expectation of academic success, without taking personal responsibility for that success, is termed by Chowning and Campbell (2009), as 'academic entitlement'. Lessard, Chen, & Farruggia (2008), add that academic entitlement is seen in student actions, such as bargaining for grades, demanding individual arrangements, asking for personalised services and schedules, and even disrupting classes.

The critics of the metaphor such as Acevedo (2011); Gross & Hogler (2005); Ramachandran (2010), consider its shortcomings by arguing that it overtly emphasises the instrumental values of education, and reduces the student–university relationship to a contractual relationship. Moreover, the customer metaphor is said to lead to passive education, emphasises the personal risk of the student, standardises teaching and even leads to the marginalisation of students from the university community. Streeter and Wise (2009), believe that this discourse throws the system off balance, and the quality of education suffers as a result. Similar concerns are echoed by Kay, Dunne and Hutchinson (2010), who acknowledge that there is a new kind of policy message, which advocates that student voice gain a more active role in improving their educational experiences. They however, warn that the notion student as a customer, embraced in totality has attendant dangers. These are expressed by Molesworth, Nixon and Scullion (2009), who claim that a market-led university might respond to consumer calls, by focusing solely on the providing content, which students want at a market rate. This they warn, may decrease the intellectual complexity if this content is not in demand, if not desired by the work place. They state that under the guidance of the academic, the student could potentially be transformed into a scholar who thinks critically. They argue that such transformation is denied, when instead the confirmation of student as consumer is favoured.

According to Hussey and Smith (2010), a teacher or lecturer should not be likened to a salesperson who must acknowledge that the customer is always right. Franz (1998), warns against comparing the university to a shopping mall, where students shop around for classes

and courses and where the goal of the educator is to attract, delight and retain the student-customer. Holbrook (2004), maintains that if a HEI decides to embrace the customer-oriented logic, it will result in a situation where teachers would cater to students' wishes, yield to their complaints, and care more about the students' concerns for advancing their careers than about what they actually learn.

### 2.5.5 (3) Moving beyond student as customer

Gibbs (2008), argues that student as customer represents the seeking of short term gains, associated with making marketing promises. He warns against the dangers of the marketing of brand values, in priority to the educational values. These arguments against the use of the customer metaphor in higher education, on the other hand, have been criticised by others such as Eagle and Brennan (2007); Gruber, Reppel, & Voss (2010), who point out that the role of the customer might be too narrowly interpreted in these critiques. It is therefore suggested by McCulloch (2009), that there are other more suitable alternatives, for the discussion of student-customers. The critics of the customer model have proposed alternative models, that metaphorically cast students as trainees (Franz 1998), clients (Armstrong 2003; Bailey 2000), producers (Ray 1996), citizens (Svensson and Wood 2007), co-producers (Kotze and Plessis 2003), community (Coffield 2008), change agents (Kay, Dunne and Hutchinson 2010) and employees (Gillespie and Parry 2009). These alternative models clarify Taylor and Judson (2011), emphasise student accountability in that each requires the student to take an active role in co-creating knowledge. These alternative models also emphasise what Marks (2013), argues that 'customer is always right' is an outdated concept, no longer relevant.

Van Andel, Botes and Huisman (2012), instead contend that much of research on student as customer has been from an educator perspective. There is little empirical research about the actual experience on student as customer with regard to their experience and perspective. Their research concluded that when students as customers are enabled to choose what, when, how and where learning will occur, it results in students having a strong sense of control and empowerment. They therefore posit that students are the main customers of higher education, hence higher education policy must ensure, that higher education institutions treat their customers, with the respect and dedication they deserve. Watjatrakul's (2014), research

on student perspectives of student as customer finds that students do expect to be treated as customers, in some but not all aspects of the overall educational experience. A study by Koris and Nokelainen (2015), confirms that students do expect to be treated as customers the results in terms of student feedback, classroom studies, and to some extent also in terms of communication with administrative staff, individual studies, course design and teaching methods. However, they do not view themselves as customers when it comes to curriculum design, rigour, classroom behaviour and graduation. Regarding the category of grading, students did not display specific expectations.

These studies and another one conducted by Tomlinson (2014), challenge a number of assumptions in the existing literature, suggesting students expect HEIs to cater for every request, and seeking nothing more than an enjoyable consumption experience with little personal input, as short-sighted. This links into more recent empirical research by Finney and Finney (2010), recommends rather than attracting students by treating them as customers, university efforts may be better placed on building student satisfaction. Dean and Gibbs (2015), in seeking to differentiate found satisfied students to be more engaged with their education as traditional learners. For those unhappy students who are unengaged in learning, universities might want to focus on how colleges can foster student involvement in learning. Finney and Finney (2010), suggest that, rather than attempting to change the university, new student customers should be clearly informed of their role in the university. They speculate that such a perspective might provide students with the idea that their job is to be engaged in their studies from the beginning.

Healey, Flint and Harrington (2014), assert that the alternative models proposed instead of student as customer, are also inherently political and ideological, in offering a challenge to the increased marketisation of higher education. They claim that there may be little that the students, lectures or universities might be able to do to change the current depiction of students as customers. However, the question of what sort of customers students might be, may still be open for discussion. Obermiller and Atwood (2011); Mark (2013), concur that student as customer does not preclude any other perspectives as seekers of wisdom or members of a community. It seeks universities to maintain the same high standards and still be responsive to their legitimate needs. Sharrock (2013), explains that even in business the



concepts of consumer, customer and client are not clear cut. They are shorthand for a spectrum of simple products and complex services, brief encounters and extended engagements.

## 2.6 Choice and Higher Education – Part 4

### 2.6.1 The factors that drive university choice

According to Marshall and Pearce (2012), the decision of where and what to study in higher education has always been significant. It has become even important with the substantial increase of tuition fees in England, and a competitive employment market for graduates. The sharpening of focus on empowering student choice runs alongside the government's intention to create a more competitive and diverse market in higher education. The tuition fee that higher education institutions can charge was capped at £9,000 per year. The government has also been instrumental in influencing the supply side. This has been manifested by removing the student number controls, and incentivising more entrepreneurial and innovative new entrants to enter the envisaged market in English higher education (BIS, 2011). The government has been explicit in stating that it will not bail out those institutions who struggle to attract enough students to cover their costs, and their market exit would be welcomed (BIS, 2016).

According to Wyness (2013), these measures were also intended to introduce price variation amongst what fees different institutions might charge to influence student choice. Callender (2013), had feared that the increase in fees might prove to be significant upon choice of going or not going to university. That this might impact upon higher education participation rates, especially amongst aspirants from disadvantaged background, part-time and mature students being put off by concerns about debt.

Hemsley-Brown and Oplatka (2015), also found that university choice is a complex process, as the student market is far from homogeneous. They point out that a single list of rational factors, influencing university choice that all students use is unlikely. They call for a much more

segmented and nuanced approach to understanding university choice. This they categorise under institutional and student characteristics, in how these interact in influencing choice.

#### 2.6.2 The institutional characteristics that impact upon current university choice

A range of studies, have attempted to assess the institutional characteristics that influence university choice. According to Veloutsou, Lewis and Paton (2004); Briggs (2006), academic reputation, prestige, the course and campus feel are considered to be the most important. Hoyt and Howell (2012), add these overall factors are most influential, and not specific facilities or physical characteristics. Bonnema and van der Weldt (2008), also find public image to be most significant overall factor in differentiating institutions. They also report that different sub-groups will be influenced by different institutional factors. The sub-groups they characterise as have lots and university lifers rely upon course information. The little direction seek information about specific aspects such as sports facilities, whilst the new lifers were found to be more interested in student life.

##### 2.6.2 (1) Life style benefits and proximity to home

Imenda, Kongolo and Grewal (2004), identified social and lifestyle benefits, such as career choice and employment outcomes as paramount in university choice. The perceptions of on achieving these outcomes is linked by Price, Matzdorf, Smith and Agahi (2003), to staff and the teaching quality. The related university facilities are acknowledged as important however, they do not feature as a key decision making factor for all students. Drewes and Michael (2006), reveal proximity to home also as one of the key factors that drives institutional choice. Harker, Slade and Harker (2001), find that mature students tend to study closer to their family home, and were less concerned about reputation. On the other hand school leavers for a higher socio-economic status, were found to be less concerned about distance, but more about institutional reputation. This contrasts to those from a lower socio-economic status and ethnic minority, who were found to prefer studying closer to home. These proximity factors Callendar and Jackson (2008), argue as being linked to the impact of fees and other related costs, in creating a fear of debt. This was especially the case amongst mature and lower socio-economic categories, who may be inherently debt averse. Hemsley-Brown and Oplatka (2015),

therefore recommend treating students as a single homogenous market, with a singular fits all message, is over simplistic for promoting an institutional choice.

#### 2.6.2 (2) Do fees impact institutional choice?

According to Dunnett, Moorhouse, Walsh and Barry (2012), the Coalition Government wanted to align more closely the costs and benefits of going to university. It had prompted concerns, that the intention of introducing a market in fees in England, might have a negative impact on participation rates, especially amongst students from lower socio-economic groups. The idea of rational market with fees (price) being a key attribute in higher education market has been called into question by Jacob, McCall and Strange (2013). They concluded that price is just one factor, along with other academic and non-academic factors, which form part of the student choice decision making process. Sutherland (2012), makes a further distinction between formal price (tuition fees), charged by the institution as being one of the cost ingredients. This is in conjunction with what they describe as informal price, which includes sacrifice value such as time, emotional/intellectual involvement, associated change in lifestyle, and opportunity costs such as foregone employment opportunities.

#### 2.6.2 (3) Course and reputation most significant factors influencing university choice

The longitudinal study conducted prior and after the 2012 fees structure in England by Dunnett et al. (2012), found that course and university reputation had remained the most significant factors influencing university choice, irrespective of background. This was consistent with the findings of research conducted by Burge, Kim, Rohr, Frearson and Guerin (2014), in confirming that tuition fees were a relatively unimportant determinant. In line with previous research by Maringe (2006), and Purcell, Elias, Ellison, Atfield, Adam and Livanos (2008), the latest research further confirms, a shift in choice behaviour. This represents that students are definitely taking a much more consumerist approach, in where and what to study. Soilemetzidis, Bennett, Buckley, Hillman and Stoakes (2014), confirm that prospective students are more likely to seek information on employment and career prospects, as a result of taking a much more instrumental approach to university choice. These findings are also consistent with Buckley, Soilemetzidis and Hillman (2015), that students currently studying at

university in England, are much more demanding than their pre-2012 peer. They are likely to seek much more return in terms of value for money, on what they class as a substantial investment, in the form of increased fees of £9,000, which were introduced in 2012. These studies also cast doubt on fears regarding debt impacting on participation rates, although there has been a decrease in mature students applying to university. The data by UCAS (2014), also suggests that students were more focused on graduate job prospects because of the increased costs of studying at university.

#### 2.6.2 (4) Established hierarchies rather than price

Raffe and Croxford (2015), however conclude that students always have and will continue to choose universities, based upon established hierarchies rather than price. They confirm that these institutional hierarchies of universities, are based mainly on their history, prestige and reputation. These replicate into social hierarchies, and therefore the choice by university will continue to be based upon the notion, which suggests that best universities choose the best students, who historically come from higher socio-economic backgrounds. It therefore implies that although a lot has changed, it could be equally true that not much is likely to change. The type of university in terms of institutional characteristics, would continue to attract or select, a particular type of sub-group in terms of the student characteristics.

#### 2.6.3 The impact of student characteristics that impact on university choice

According to Hemsley-Brown and Oplatka (2015), student characteristics such as gender, ethnicity, socio-economic status, age (mature or school leaver), and family income (demographics) influence choice of university. The academic issues such as, prior qualifications and parental education, also play a key part in influencing choice of university. They found no significant gender differences, apart from females being more sensitive towards security factors. The males were reported to be more sensitive towards financial aspects, such as future earnings after completing their studies. They also found social class compounded with ethnicity, in seeking to explain why young people from ethnic minority groups, tended to be found mainly in less prestigious institutions. In terms of age they

summarise, that mature students are likely to prefer the convenience of studying near to home and more likely to select a less prestigious university compared with school leavers.

### 2.6.3. (1) The importance of socio-economic status

Archer and Francis (2006), assert that access to UK higher education continues to be segregated by socio-economic status (SES). This has a major impact on the choice of institution with Bekhrandia (2013), claiming that posh students went to posh universities. According to Anders (2012), this might be caused by the strong link in the UK between family background, income (socio-economic status) and educational achievement. Jerrim, Vignoles and Finnie (2012), confirm large pre-university attainment gaps, between the most advantaged and the rest of the student body. This they point out might impact on, the choice of whether or not to go to university, and the type of university one is likely to attend.

Reay, David and Ball (2001), find that educational preferences are mainly developed, socially through experiences gained by engaging with family, school, peers. This they add also allowed, one to see their own place within society. Reay, Davies, David and Ball (2001); Baker and Brown (2007), draw upon Bourdieu's (1967), theory which is based on three related concepts. The first concept of field relates to how social class dynamics play out in a classroom or workplace. The second concept of habitus is about people's family background and the kind of schools they typically went to. The third concept of cultural capital denotes the range of endowments or privileges people inherit as a result of their social and family background. It is confirmed by Francis and Wong (2013), that field, habitus and cultural capital along with economic, social and symbolic capital determine educational choices.

They explain that economic capital signifies income and wealth, social capital signals networks in the family and wider society, whereas symbolic capital projects personal qualities such as authority and charisma. Harrison and Hatt (2012), add that choice of university is therefore based upon the capital accumulated. It is hence going to university that can be seen as a rite of passage, for those with more capital accumulation, linked with having a higher socio-economic status. Then there are others who believe that going to university is not for people like them, based on doubts about whether they would fit in, and linked to a lower socio-

economic status, resulting from lower capital accumulation. It is suggested by Kettley and Whitehead (2012), that working class parents and young people might have the aspiration towards university choice, however their landscape of choice might be constrained. This Kintrea, St Clair and Houston (2011), advice might be due to the lack of knowledge and experience, of how to realise their education and career aspirations. Harris (2010), argues that a mass higher education system results in a complex institutional hierarchy, which perpetuates racial and class inequalities. He reveals that although, more students from disadvantaged backgrounds now go on to higher education. They are significantly more likely to attend the less prestigious new universities, compared to their more privileged peers, who attend the more prestigious universities.

#### 2.6.3 (2) Universities should not be made to carry out social engineering

Vignoles (2013), asserts that although higher education participation rates have increased, this widening of participation will only improve social mobility, if poorer students chose to study at high quality institutions. She argues that policy action is required to improve educational achievement. This Goodman and Gregg (2010), believe should be targeted at improving educational outcomes in schools. These proponents of improving early attainment clarify, that every student with the qualifications, potential and determination should be encouraged to make aspirational and informed choices about university. Dolton and Vignoles (2000) however contend, that universities alone should not be made to carry out social engineering.

Milburn (2012), contests that there is widespread acknowledgement of the blame game, where universities blame schools, schools blame parents and everyone blames the government, which has to stop. Hooper (2013), argues that it is unhelpful to refer to the 'Missing 3,000' (Sutton Trust, 2004), the number of straight "A" A-level s that it is alleged are missing out on a small number of elite universities. The supporters of this view seek to disprove, what they consider an elitist assumption, that students with high grades who do not go to a prestigious university, as making poor choices. Kettley and Whitehead (2012), assert that choice is more subtle than just social class. They suggest that an individual's landscape of

choice, is not just influenced by improving career prospects by going to an elite university. They contend that the choice of university, is also a lifestyle choice and a matter of taste.

### 2.6.3. (3) No longer about what you do at university, but what it does to you and for you

Brown (2014), therefore explains that social mobility and widening participation are both essential, however the focus has to shift beyond this. The focus should now be on educational outcomes and added value. The widening participation debate should shift from getting students into universities, to getting them through and beyond their degrees. University Alliance (2014), advises that the role of institutions should be about providing opportunities to building social capital. This should be done by facilitating access to employer networks and the building of cultural capital, through development of soft skills. This they claim is essential in creating a level playing field or meritocracy, rather than access to certain professions, being based on going to a prestigious university. Stuart (2012), predicts the need for more jobs requiring a higher education qualification and, that graduates will enter a diverse range of professions. This she reveals, is due to the economy's changing shape, into becoming an 'hourglass economy'. This, she claims, would lead to hollowing out of middle income jobs. She instead predicts an expansion of the abstract high wage non- routine jobs at the top, and manual non-routine low wage jobs at the bottom. She states therefore, it is not about what you do at university, but what the university does to you and for you. Brown (2014), therefore proposes a Social Mobility Government Index (SMGI), which could play a key role in guiding student choice, giving increased importance to good prospects upon graduation. The index is to be designed as a measure of output success, in achieving professional careers for all graduates especially those from disadvantaged backgrounds. This index is envisaged to measure the value added by a university, which would then find its way into the reputation of that institution. It would facilitate student choice which is currently driven largely by input oriented measures such as research and teaching excellence, being balanced by output oriented measures, which would measure a university's contribution to social mobility.

### 2.6.4 Is Higher education always a rational choice?

According to DesJardins and Toutkoushian (2005), the notion that people are rational decision makers has become an important part of the reasoning used for explaining the behaviour of individuals in a wide variety of contexts. Hedstrom and Stern (2008), explain that this is linked to the rational-choice theory, which assumes that individuals are conscious decision makers. Their choices are influenced by an assessment of the costs versus benefit of investing in education. Plank and Sykes (2003), posit that in recent years policy makers have also advocated rational choice in higher education, as a means of enhancing equality of educational opportunity. The Browne review (Browne, 2010), also promotes the idea that students are best placed to make the judgement, about what they want to get from participating in higher education. Additionally that they should direct where the money goes, through their choice of course and institution. The white paper (BIS, 2011), further claims to be putting student experience at the heart of higher education. It intends to empower students by ensuring that universities are more responsive, and accountable to the discerning student customer. This would be achieved by creating and facilitating choice by, universities providing clearer information about their courses, creating a greater diversity of providers offering different modes of learning.

#### 2.6.4. (1) Higher education as a rational economic investment

According to Tomlinson (2008), the policy makers continue to emphasise that the high private returns make higher education a rational choice for individuals. The study conducted by Van Andel, Botes and Huisman (2012), concluded that students were capable of making rational choices, informed by their professional needs and educational interests. They argue that students as customers, when enabled to choose leads to a strong sense of empowerment and control. They reject the notion that students are short-sighted, and lack the ability to make rational choices, which are good for them in the long term.

The concept of rational choice, applied to educational choices has been used as the organising framework in a number of studies. Monks (2000); Hossler and Gallagher (1987); Braxton, (2000), have all examined how students determine the amount of education to acquire, where to study, and once enrolled whether to complete or drop out. These studies have focused on the different stages of a prospective student's choice making process, in higher education.



These studies typically present decision making as a linear process, where a prospective student moves logically, from stages such as pre-enrolment to enrolment and post-enrolment. Ball (2003), also concluded that students will therefore rationally weigh up expected utility or benefits against expected costs or sacrifice. This will then form the basis of decisions about choosing the amount, location and duration of study. According to Becker (1994), this individual investment in higher education is presented as enabling the collective human capital, which is crucial for improving social mobility and economic growth. It is therefore posited that investing in higher education makes perfect rational sense individually and collectively.

#### 2.6.4. (2) Higher education as a rational choice

This conventional economic theory has been superseded by the so called SRC (social rational choice) theory. Breen and Goldthorpe (1997), explain that in addition to the economic returns to education, the educational decisions individuals may also generate benefits by preserving their existing social networks. Morgan (2005), adds that educational decisions are justified by the SRC theory, as helping to maintain an individual's family status or conforming to peer-group behaviour. Holm and Jaeger (2008), therefore find that educational choices are a combination of total utility gained, from both the economic and social returns to education. In addition, different students will make different choices, which are rational to them. It is also clarified that rationality does not require decision makers to have perfect information, but rather making decisions based on the information at their disposal. It is also implied that subjective utility and risk are positively correlated. According to Breen and Goldthorpe (1997), this is called the Relative Risk Aversion mechanism (RRA), whereby it assumes across all social classes, a threshold determines a student's minimum acceptable level of educational attainment. This threshold should at least guarantee entry to a class position at least as good as that of their parents. However the threshold implications differ based on social class, whereby upper class children choose the risky option, which would lead them to the upper class. The working class children would conversely choose the less risky options, because they suffice for the attainment of working class occupations.

#### 2.6.4. (3) The opponents of rational investment as the sole factor

According to DesJardins and Toutkoushian (2005), the rational choice theory in relation to educational choice has been critiqued, as assuming that all individuals take a utilitarian view. It is seen to propagate that all students invest in the absolute utility, associated with earning potential and monetary rewards only, as a focus in making their educational choices. Alstadsaeter and Sievertsen (2009), disagree and argue that financial return is an important but not the sole decisive factor. Jacob, McCall and Stange (2013), concur that educational choices are an integration of the investment and consumption motives. They conclude that students do things because they enjoy them, also value and appraise consumption amenities such as student activities, accommodation and sports and not just the educational aspects.

#### 2.6.4. (4) Students are humans bounded by partial rationality

Brown (2007), is opposed to the notion of the student as customer making rational choices. He asserts that only a few students have the interest, the energy or the expertise, to usefully interrogate information about higher education. He argues that it is not possible to provide valid and reliable information about comparative quality, in a mass and diverse higher education system. He criticises the attempt to do so and describes this as an information fallacy. According to Johnstone, Rosa, Teixeira and Vossensteyn (2006), although inherent in the markets approach, is the notion that the rational consumer decides, based upon the information to make informed choices. They however point out that this idea of the rational human being, no longer holds currency amongst behavioural economists. This is based on the work of Simon (1978), who concluded that human beings were bounded by partial rationality. It is therefore posited, that that the ideal consumer acting in a perfect market, characterised by complete information does not exist.

#### 2.6.4. (5) Decision making process of prospective students was in fact chaotic

A study conducted by Diamond, Vorley, Roberts and Jones (2012), found that the decision making process of prospective students was in fact chaotic, rather than a rational or methodical assessment of cost and benefits, of their educational choices. The engagement

with information available, was at best described as patchy, and that it did not follow a process, that each individual follows. For this reason Menon (2004), claims the need to take into account, both the economic and non-economic variables, for better explaining the information behaviour in higher education choice making. For example, Allen (2002), found that while coming from a less affluent background does not buy itself influential aspirations. Other factors such as location, family and school can tend to push children towards having high or low aspirations. Another study by Diamond et al. (2014), concluded that significant information-processing and cognitive stages of decision making, may or may not exist. The final selection of university they found often came down to, whether or not the place just feels right. Allen (2002), adds that choice is often based upon the spontaneous, an uncontrolled sense that an institution fits like a glove (FLAG), for that particular individual.

#### 2.6.4. (6) Information overload and paradox of choice

This behaviour is attributed to a mental process by Kahneman (2011), which he calls thinking fast and slow. He reveals that the human brain has two mental systems of processing information. System 1, which is explained as fast, automatic and intuitive. It acts quickly with little or no effort, hence why most choices are made sub-consciously, based upon what feels right. The System 2 on the other hand is described as slow, cognitive, and reflective. It processes things slowly, has limited capacity but offering a much deeper understanding. According to Jin, Muriel and Sibieta (2010), this might explain why students' decision making process is far from rational or linear. It is therefore far less reliant on the sheer quantity of information, which can overwhelm and create an information overload. They explain that students might instead use a range of mental short cuts, also known as rules of thumb or heuristics to simplify their HE choices. According to Schwartz (2005), this helps avoid over-introspection caused by large amounts of information. He argues the information overload could actually worsen, rather than improve the quality of decision-making. He refers to as the paradox of choice.

#### 2.6.4. (7) Interplay of rational and other factors

Desjardins and Toutkoushian (2005), question the restrictive view of rationality, and that students need more information to make rational HE choices. They argue that what might seem as irrational behaviour by an individual may not be the case. It could be that individuals are acting rationally, but others' inability to observe their beliefs, preferences, and attitude to risk masks this. They hence call for a need to focus on the relevance and quality of information, rather than the quantity of information. This, they suggest, will support students to make the choices which are right for them individually. They also suggest that making choices is a complex process, which involves an interplay of both, the rational and other behavioural or irrational factors.

#### 2.6.5 From marketisation to marketing

Mateo (2014), contends that marketisation and marketing are often projected as having a symbiotic relationship. He clarifies that they represent two different aspects of the higher education managerial discourse. Judson and Taylor (2014), also argue that marketisation is not marketing. They refer to marketisation as the introduction of market forces and privatisation to the HE sector, which focuses on narrow measures of student satisfaction. These satisfaction measures Palmer and Koenig-Lewis (2009), claim focus on the present and are not strong predictors of future behaviour intentions. Taylor and Judson (2011), suggest this approach of focusing on immediate customer satisfaction, is akin to the narrow and archaic marketing theory. This, they observe, resembles an outdated transactional or sales oriented approach, instead of a more contemporary relationship oriented approach to marketing.

According to Flint, Oxley, Helm and Bradley (2009), the focus on independent analysis offered by these student satisfaction measures such as the National Student Survey (NSS) and of league tables published by various media organisations such as the Guardian and Times Higher, has been found to be an important indicator to many HE senior managers. Brown (2011), add that these increasingly play a key part in the strategic analysis and planning process. Harbisher, Wright, Khan and Paucar-Caceres (2014), finds that although they provide a major strategic focus for many, but present that the methods may be over simplistic in nature and fundamentally flawed. As a consequence they conclude that the results may

mislead and may not be relied upon as good strategic indicators. Similar positions have been reached by Child (2011); Baker (2011). According to Gibbs (2012) and Hancock (2015), what students want is much more complex, individual, and unique.

Aldridge and Rowley (1998), have argued that a more serious approach is needed to understanding customer satisfaction in higher education. Angell, Heffernan and Megicks (2008); Athiyaman (1997), suggest therefore a need to understand the determinants of service quality. In seeking to understand and measure service quality. Brochado (2009), compares generic instruments for measuring service quality (SERVQUAL), service performance (SERVPERF), and a hybrid for the higher education sector (HEdPERF), and concludes that all provide reliable indicators of satisfaction and performance. Smith, Smith and Clarke (2007), reach similar conclusions regarding SERVQUAL, but suggest that there are some limitations and that understanding the customer environment is becoming more complex. Wisniewski (2001) however concludes that SERVQUAL, by itself though useful, will not give a complete picture of needs, expectations, and perceptions of customers in public sector services.

Bowden (2011), argues the need for deeper understanding of students as customers, by universities being cognizant of the importance of developing a strong psychological attachment, and an emotional bond between the student and the institution. An understanding of emotions has been put forward by Yu and Dean (2001); Wong (2004); Mano and Oliver (1993), as a better predictor of loyalty and of future behaviour intentions. White (2010) and Longbottom and Modjtahedi (2013) have concluded that satisfaction scores, largely based on survey evidence, tend to focus management attention on small points of difference between consumers. Martin, O'Neill, Hubbard and Palmer (2008); Morris, Woo, Geason and Kim (2002), add that these small points may in reality be relatively insignificant. Zaltman and Zaltman (2008), claim that consequently they fail to recognise and prioritise areas of consensus, and lack the depth to understand difficult and complex issues. These they contend are often revealed through emotions or metaphorical expressions.

Piercy (2008), takes the position that whilst generic measurement systems largely based on secondary or survey data have been found to be helpful for informing strategy, a need emerges for a deeper understanding of customers and markets, what some have termed

market sensing. De haan (2015), hence argues that if strategy is based mainly on generic aspirations, or is weakly informed by customer and market knowledge, this may create the impression that a strategy exists. When in fact there is no real foundation for planning and creating differentiation leading to a sustainable competitive advantage. Longbottom and Modjtahedi (2013), believe in doing this, organisations may be focusing their efforts on the wrong things, calling this the strategy illusion.

Palfreyman and Tapper (2016), therefore suggest that in coping with the paradigm shift of environmental change, clearly the need arises for developing a sense of purpose and direction for their particular institutions. Bobe and Kober (2015); Temple, Callender, Grove and Kersh (2016), advise that building a clear strategy is about identifying unique resources, which can be bundled to generate organisational capabilities. Piercy (2008), claims helps organisations to shape their value based proposition, which should differentiate you from competitors. Kramer and Porter (2011), add that for competitive advantage to be sustainable over time, it has to be authentic and embedded into the aspirations of the internal customers (Khan and Matlay, 2009), and embraces the principles of co-creation with the student as customer (Lusch and Vargo 2014).

## 2.7 Summary and questions raised from literature review – Part 5

### 2.7.1 Literature review summary

In summary successive governments have continued to drive towards a marketised higher education system sector in England. This is due to the nature of the sector expanding from an elite to a mass system of higher education. The question subsequently raised is who and how will this be funded? The recent changes such as the introduction of tuition, have shifted the balance of power to the student. The market reforms are also designed to introduce a stronger element of choice, by funding via the loaned student as opposed to government directly funding universities. This shift in the landscape implies that English universities must be more responsive to student needs, with regards to quality of the whole education experience. The effect is that competing universities are now seeking to adopt a service oriented approach, akin to commercial businesses. It is also expected that efficiency and effectiveness, will be

required to cushion the frequent effects of government policy changes, such as the removal of cap on student numbers and further increase in fees.

As a result of the government and social driven changes, a quasi-market landscape in English higher education has emerged. This market place is very unpredictable and volatile in nature compared to the past, as it is subject to frequent government interventions. These interventions are designed to increase the intensity of competition, which should lead to institutional strategies being instrumental in deciding, those incumbents who will emerge successfully. These will prevail at the expense of failing institutions who will be now be required to exit this quasi-market, and make way for new entrepreneurial and innovative providers. The higher education is now viewed as becoming commodified as policy and the rise of consumerism in society, have both aided in the casting of students as customers. This characterisation has received mixed responses, with some stakeholders supporting its positive impact improving quality of student experience, and opponents concerned that it will increase academic entitlement.

The mass higher education system will continue to evolve, as marketisation intensifies further to accommodate even higher participation rates of students predicted to enter higher education in the future. The university offerings must strive to meet the increasing student expectations, along with other key stakeholders, such as employers in a global market for graduate talent.

The primary results will seek perspectives on the questions highlighted below, which have emerged below for the literature review. The questions raised are, how do senior managers in English universities currently perceive the environment, and assess the significant impact of the changes to higher education policy in England? With the changing role of universities in a market society, how will changing student expectations be met by different types of universities? These perspectives will provide a deeper insight into the current position and future directions of the English higher education landscape.

#### 2.7.1 (1) Will universities therefore become like businesses?

The literature review had concluded that the reforms set out by the Browne review, and the subsequent government white paper during the period 2010/11, are a major factor behind the intensified marketisation of higher education in England. This marketisation is referred to as the transfer of goods and services into the realm of the market. Market mechanisms have been gradually introduced especially since 1979, as the English higher education had expanded from an elite sector, post the Robbins review of 1963 when participation rates stood at 5%. It had been transformed into a mass system of higher education by the time of the Browne review in 2010, by when participation rates had dramatically increased to 43%. The number of universities during the same period increased from 24 to over 100. This large expansion has been justified by successive governments, with the popular story of economic growth and social mobility. This had however presented a dilemma for successive policy makers, of how the expansion would be funded, particularly when public spending per student had continued to fall since the 1980s. The continuous decline in the government funding had already forced the hand of many universities to replace it with other commercial sources of income, making them quasi businesses.

Declining government funding however did not stop universities from lobbying successive policy makers for increased funding, as a result the Dearing review 1997, rubber stamped introduction of tuition fees, initially to be paid as upfront at £1,000 per student. It was envisaged that fees would help ease the pressure on the tax payer, whilst providing the sector of the much needed increase in funding. The fees trebled to £3,000 in 2006, but would now have be paid in the form of income contingent loans, by students after graduation, upon reaching an income threshold of £15,000. The continued pressure for more funding increases from universities, led to the Browne review 2010 of higher education in England. As a result of this review, grants were abolished and undergraduate fees were tripled to £9,000. These significantly increased fees would be paid entirely by individual students, in the form of income contingent loans, once they started earning £21,000. It had meant that grants for all, had now been replaced by loans for all, as a policy direction for funding higher education in England.

The ideological consideration of introducing market mechanisms, such as fees replacing grants to fund higher education, was justified as money following student choice. The unleashed



forces of consumerism as an implication of fee paying students, would hence shape the higher education landscape in England. It would help make universities more responsive not only to student needs, but more competitive as a result of new entrants being allowed to enter the English higher education system. It was predicted that the resultant responsiveness and competitive diversity of provision, would make the sector operate more effectively and efficiently. It was hoped that increased fee income would not only sustainably fund universities, but also increase their propensity to fund institutional growth. This could have been realised by their increased ability to raise money from commercial investors, with some universities even choosing to become private limited companies.

It was projected on the other hand that these funding reforms would unsuitably put the market rather than the student, at the heart of English higher education system. The introduction of market mechanisms is characterised as a neo-liberal assault on higher education, where market values damagingly prevail over the public values of education. It is also feared this would trap English universities in a competition fetish, cultivating a selfish winner takes it all mentality. The worry is that profit motivations of alternative providers, may also result in the birth of an earning rather than the learning university. Will universities therefore become like (commercial) businesses?

#### 2.7.1. (2) Will there now be a free market for higher education in England?

It is complex to create a classical economic market in higher education. This is because student loans are subsidised by the government, and it had also proved difficult to create a market in variable fees. Nearly all English universities had set their fees at or near the maximum of £9,000. This is explained due to what economists call the 'Veblen effect', in which reputation wise price signals a proxy for quality. The other complexity is the need for government to constantly correct market failures, in order to maximise the socio-economic benefits and ensure adequate levels of equity. However in the context of the emerging competition in higher education systems, these can be better classified as multiple quasi markets, rather than a single homogenous market. These quasi markets are more than perfectly competitive markets, considering that they combine state regulations with the

introduction of some market mechanisms. Will this quasi market, now move towards a free market in England?

#### 2.7.1. (3) What will be the benefits of higher education?

Higher education provides a number of economic and non-economic benefits, for both individuals and society. The debate that still remains unresolved is, who benefits more and therefore who should contribute more, towards the funding of higher education. The ideological proponents of increased private contributions, justify that graduates earn more than non-graduates. The ideological opponents claim that successive governments have downplayed the significant public benefits, to justify the shift from public to private contributions. It is noted that all policy calculations of public and private shares of benefits and cost are arbitrary and assumptions driven. Hence there is no ideal balance between public and private funding of higher education. It is therefore suggested, that it's now more about how the limited or declining public funding is best utilised, to maximise participation rates. It is observed that ideological trends might have been more influential than economic calculations, blurring the distinctive notions of the public and private. The major ideological trend has been the shift from welfare to a market state, repositioning the state from provider to regulator. As a direct consequence the organisational culture of universities has shifted, to become much more market oriented. Will these shifts therefore alter the perceived benefits of higher education, to be judged in terms of instrumental outcomes?

#### 2.7.1. (4) Will consumer culture, consumerism and commodification within higher education increase?

It is observed that consumerism is symptomatic of the reach of markets and market-oriented thinking, into aspects of life traditionally governed by non-market norms, this includes higher education. Consumerism in higher education is manifested in two main ways. The first that higher education has become a globally traded commodity, which is marketed between students and universities. The second manifestation of consumerism is the rise of consumer culture, as a social system and a set of behaviours, which is dominated by the consumption of

commercial commodities. The rise of consumerism in higher education, can be placed as both socio-cultural and a political construct. The socio-cultural construct is characterised by the rise of consumerism, in a society dominated by consumer culture. This it is argued, has simply crept into higher education too. It is therefore implied that consumerist students and their parents, now approach the choice of university education, as purchasing any another product or service. This rise of consumerism has also influenced the political psyche, leading to the casting of students as customers, a deliberate construct of the government's higher education policy. The commodification of higher is presented by critics as being at odds with academic values, which will turn universities into credential mills, therefore leading to the erosion of academic capital. Will the market reforms, therefore result in a further rise of consumerism and consumer culture? Will the market reforms make the commodification of English higher education unmistakable and perhaps unstoppable?

#### 2.7.1. (5) Will the increase in fees mean that students will perceive and be perceived as customers?

It is contended that the active positioning of students as paying customers, is an inevitable by-product of a market driven system. It is one of the most debated metaphors in higher education, based upon the idea that the choices of student-customer will enable to the market to function. It emphasises that individuals know best, and are therefore able to make possible decisions, about what is best for them, based on their acquired information. The proponents of the metaphor, believe that customer oriented universities can benefit, from recognising consumer-like behaviour amongst their students. If embraced it would activate and empower the students, as well as improving the quality of teaching. The debate on student as customer is rather polarised, as calling students customers elicits very strong, and more often than not, negative reactions among academic circles. The opponents of the metaphor claim that student as customer does not contribute to professionalism. It lends itself to an upmarket training provider, rather than a university. It is argued that education is one of the areas where customer orientation, with its short-term financial benefits and negative consequences, does not belong. This could give rise to 'academic entitlement', resulting in the decline, decay and ultimately the demise of academic values. The critics of the customer model have proposed alternative models, emphasising student accountability

requiring the student to take an active role in co-creating knowledge. These alternative models also emphasise that *the customer is always right* is a narrow and outdated concept, which is no longer relevant. Although research on student perspectives of student as customer has found, that students do expect to be treated as customers, in some but not all aspects of the overall educational experience. Will increased fees means that students will now perceive themselves and perceived by English universities as customers in totality?

#### 2.7.1 (6) Will increased fees impact upon factors in university choice?

The decision of what and where to study in higher education has always been significant, however substantial increase in tuition fees, and a competitive employment market might have made student choice more important than ever. University choice is a complex process, as the student market is far from homogeneous. It is pointed out that a single list of rational factors, influencing university choice that all students use is unlikely. A more segmented and nuanced approach is hence required to understand university choice. It can be categorised under institutional and student characteristics, and how both interact in influencing choice. In terms of institutional characteristics it is revealed that students always have and will continue to choose universities, based upon established hierarchies rather than price. This hierarchy is based mainly on institutional history, prestige and reputation. The institutional characteristics are replicated by student characteristics which are in turn based on social hierarchy. It is therefore that choice by university will continue to be based upon the notion that the best students go to the best universities, who often happen to come from higher socio-economic backgrounds. It is therefore implied that although a lot has changed, it could be equally true that not much is likely to change. The type of university in terms of institutional characteristics, would therefore continue to attract or select, a particular type of sub-group in terms of the student characteristics. In recent years policy makers have also advocated rational choice in higher education, as a means of enhancing equality of educational opportunity. The market reforms in England have promoted the idea that students are best placed to make the judgement, about what they want to get from participating in higher education. Some studies however find that the decision making process of prospective students was in fact chaotic. They reveal that the student decision making process had displays of bits and pieces, rather than a rational or methodical assessment of cost and benefits as basis of educational choices.

The engagement with information available, was at best described as patchy, and that it did not follow a logical process. The final selection of university had often come down to, whether or not the place just feels right. Students might use mental short cuts, also known as rules of thumb to simplify their HE choice, helping to avoid over-introspection caused by large amounts of information. Although it is suggested that making choices is a complex process, which involves an interplay of both, the rational and other behavioural or irrational factors. Will the choice of university in England now be based on more rational factors, as a consequence of students paying much higher fees?

#### 2.7.1. (7) What will be challenges and opportunities of intensified marketisation for universities?

Marketisation has also led to the increase in marketing spend by universities, in a bid to attract prospective students. The opponents of marketisation however consider marketing to be an evil practice, which damages education by using business techniques. On the other hand, those writing about the application of marketing concepts of higher education, try and superimpose them, whilst the need is to develop domesticated marketing concepts those that acknowledge the values of education. It is also suggested that in coping with the environmental change, senior managers will need to develop a much clearer sense of strategic direction in the pursuit of competitive advantage for their institutions. Instead of focusing on a narrow definition of student as customer, based on the outdated concept of customer is always right, there is need for deeper understanding of students. This would require universities being cognizant of the importance of developing a strong psychological attachment, and an emotional bond between the student and the institution. It would be based upon a clear understanding of the challenges and opportunities, on the horizon for an English university, as an implications of intensified marketisation for the English higher education landscape.

# Chapter 3

## Methodology

## Chapter 3 - Methodology

### 3.1 Background to the methodology

The literature review chapter started by charting a journey of expansion and increasing marketisation of the English higher education system. It then proceeded on to evaluate the resulting rise of consumerism, and the debate about students as customers. The literature review then assessed the impact of marketised policies on the higher education choices and expectations of students. The chapter culminated by discussing the impact of marketisation on English universities. This led to the emergence of the themes for the in-depth interviews to be conducted as part of the data gathering for this study. This first theme was whether universities would become like businesses. The second theme was whether there would be a free market in English higher education. Third how the purpose of going to university might be impacted. Fourth could higher education be perceived as a commodity, and to what extent might consumerism and consumer culture prevail on campus? Fifth, would students perceive themselves and be perceived by universities as customers? Sixth, how will increased fees impact upon factors of university choice? Lastly what would be the challenges and opportunities for English universities in this highly marketised landscape?

The purpose of this study was to gain first hand insights from senior managers working within English universities and analysts of the higher education policy. These insights are predicted to provide a rich account of the mood within the English higher education landscape, in the immediate aftermath of the much contentious Browne review (2010) and the subsequent government white paper (BIS, 2011). This chapter presents the research process followed to achieve the stated purpose of this study.

### 3.2 An overview of the research process for this study

This study has followed a qualitative rather than a quantitative research process. The reason is that this study, like most research in social sciences, is concerned with gaining depth, meaning, in social settings, understanding of people, organisations and social interactions. Symon and Cassell (2012), point out that such research is not well disposed to a quantitative research process, for example based on testing a predetermined hypothesis, using survey

based methods and experiments. According to Longbottom (2017), the qualitative research process should follow a clear theoretical framework for a study to be rigorous and robust. The methodology chapter should therefore provide consideration to research philosophy, approach, strategy, design, analysis and presentation as shown in the table below.

Stage	Process
Philosophy	Beliefs about how knowledge is developed
Approach	Way of thinking about conducting research
Strategy	Choice of method
Planning	Sample selection Background data gathering Gaining access
Data collection	Design of research instruments Conducting research: interview and observation methods
Data analysis	Methods and tools for analysis Data reduction: recording, transcription, coding, analysis and anonymising
Presentation	Methods, headings, themes and implications

*Figure 2 The qualitative research process - Adapted from Longbottom, (2017: 21)*

It is acknowledged at the outset, that there are risks and challenges to adopting this methodological approach. According to Silverman (2013), the credibility of the qualitative methodology could be challenged on the grounds of the validity of the approach and consequently the reliability of the findings. There are arguments that the qualitative research methodology is non-scientific, open to subjective interpretations, biases and personal opinions. Murcott (1997), advises that the best way to deal with these potentially problematic aspects of writing up a qualitative research methodology chapter is to be explicit about the main themes which have emerged from the literature review. It is also important to spell out



the factors that justify the choice of data sample, and explain how to extrapolate from a particular study to other contexts.

### 3.3 Research philosophy

The research philosophy is an articulation of the researcher's stance on how knowledge is developed. How do they know what they know, and what might be regarded as adding new knowledge to the chosen field of study? According to Bryman and Bell (2015), there are two opposite and fiercely contested research philosophies, described as positivism and phenomenology. The positivist research philosophy is described by Cassell and Symon (1995), as being based on the assumption that there is an objective truth or a single reality which exists in the world. This, the positivists believe, can be revealed through a scientific approach which focuses upon measuring relationships between the variables in a statistical and systematic manner. A quantitative approach lies at the core of scientific methods.

In contrast Saunders, Lewis, Thornhill and Wilson (2009) describe the phenomenological approach as being largely influenced by words and meaning arising out of social contexts. This approach assumes that there is not a single objective truth or reality, instead it is reliant on the subjective perceptions and interpretations of the researcher and research participants. This is explained as:

*Qualitative researchers are characteristically concerned in their research with attempting to accurately describe, decode, and interpret the precise meanings to persons of phenomena occurring in their normal social contexts and are typically pre-occupied with complexity, authenticity, contextualisation, shared subjectivity of researcher and researched and minimisation of illusion.*

(Fryer 1991:3)

Crowe and Sheppard (2010), however advocate that a researcher needs to look beyond the traditional divide between the qualitative and quantitative research philosophies. They suggest that instead of justifying the choice of a particular type of research philosophy, the researcher should base their choice of research design on the research question. This study acknowledges the argument for and against the opposing research philosophies in **figure 3**, it however leans more towards the phenomenological side. This is because the literature review

has revealed that there are different perspectives and debates surrounding the topics of marketisation in higher education. This study's prime focus is in seeking to evaluate these debates further by gaining deep and meaningful insights, about how the ideas of intensified marketisation, and student as customer are understood by senior managers within and policy analysts working around English universities. It was therefore thought, that the phenomenological research philosophy and qualitative research design would be the most appropriate for this study. The traditional divide between the two philosophies and a way forward is captured in the table below:

Different labels for opposing research philosophies	
Positivism	Phenomenological
Objectivist	Subjectivist
Realism	Idealism
Scientific	Humanistic
Experimentalist	Interpretivist
Basic definition	
Things exist only in the real world	Things exist only within the mind
Basic premise	
This camp underpins quantitative research research	This camp underpins qualitative
Critique of the traditional divide	
Divide philosophical/ideological and historical	
No right or wrong philosophical stance	
Both philosophies lack completeness	
A matter of perspective and preference	

Both camps assume there is only one facet to the other

#### The solutions proposed

Start with the research question/objectives first and philosophy second

All research has a context and no research is values free

No one is an expert in all research or will have a preference for certain philosophy

Acknowledge and understand different philosophies, their strengths and weaknesses

Base choice on research question

Adapted from Crowe and Sheppard (2010)

*Figure 3 The divide of research philosophies*

#### 3.3.1 The considerations of this study about the nature of research

The decisions on where this research fits in its philosophical orientation is underpinned by considerations about epistemology, ontology and human nature. The first consideration about ontology according to Miles, Huberman and Saldana (2013), is about what constitutes reality or the truth. The second consideration is about epistemology which Bryman (2015), describes as a capturing of the sources of knowledge, or how to find out what the researcher wants to know. The third consideration according to Burrell and Morgan (1979), pertains to whether humans are seen to believe in a single reality or perceived to imagine different realities. Based upon these three considerations about the nature of research, there are several taxonomies that exist between the extreme philosophical positions. The **figure 4** adapted from Morgan and Smircich's (1980), continuum captures the major philosophical perspectives.

Source: Adapted from Morgan and Smircich (1980)

Subjectivist Approaches				Objectivist Approaches		
<b>Core Ontological Assumptions (Reality)</b>	Reality as a projection of human imagination	Reality as a social construction	Reality as a realm of symbolic discourse	Reality as a contextual field of information	Reality as a concrete process	Reality as a concrete structure
	<b>Nominalism</b>			<b>Realism</b>		
	To obtain phenomenological insight, revelation	To understand how social reality is created	To understand patterns of symbolic discourse	To map contexts	To study systems, process, change	To construct a positivist science
<b>Anti-positivism</b>				<b>Positivism</b>		
<b>Assumptions About Human Nature</b>	Man as pure spirit, consciousness, being	Man as a social constructor, the symbol Creator	Man as an the symbol user	Man as a information processor	Man as an adaptor	Man as a responder
	<b>Voluntarism</b>			<b>Determinism</b>		

Figure 4 Network of Basic Assumptions Characterising the Subjectivist-Objectivist Debate

According to Holden and Lynch (2004), the ongoing debates between proponents of subjectivism or objectivism, on ontology, epistemology and human nature cannot end in any philosophical solution. They therefore suggest that there is no right or wrong philosophical stance. Hughes and Sharrock (1997), add that choosing a philosophical stance may not be vital to the proper utilisation of research methodology. It is though, important to be aware of the relevance of ontology and epistemology, to ensure that the research design is appropriate for the research question. This has led to the likes of Connell and Nord (1996), calling for a suspension of judgement on ontological and epistemological concerns, to instead become unbelieving to perceive the debate as subject of contrasting views. Hughes and Sharrock (1997), have called for researchers to take a more pragmatic view. They propose:

*Do not worry about epistemology and ontology but about the particular problems they confront from their theories and investigations. If all that matters is that scientists go about their business using methods appropriate to the problems they have to deal with, then philosophical worries about ontology and epistemology are an irrelevance. There is certainly no reason to feel bound by stipulations about the unified method or a unified ontology for science, for on arguments no such creature exists.*

(Hughes and Sharrock, 1997:94)

Knight and Cross (2012), argue for the need of epistemological pluralism and believe that a mixed methodology might be the solution for some research problems. They suggest that the positivist and interpretivist approaches are neither opposed nor irreconcilable. This is because both the approaches are driven by the same intent to empirically understand and explain an observed phenomena.

The focus of this particular study is to evaluate the intensification of marketisation in English higher education and its underlying reasons and its impact on English universities. It is therefore intended to gauge a range of perspectives from senior managers and policy analysts. It is for this reason that this research study is more influenced by the subjective/phenomenological assumptions rather than the objectivist/positivist. This is because it wants to obtain deeper insights into the multiple realities that exist with various parts of the English higher education sector. These insights are envisaged to shed light on how

the informants perceived the reality of the situation, at the time of a paradigm shift in English higher education funding policy during 2010 and 2011.

### 3.4 A qualitative research approach

For the purposes of this particular study it is proposed that the qualitative research approach is aligned with the philosophy of subjectivism/phenomenology. This study leans towards the subjectivist perspective, which believes that knowledge is constructed in social settings and also shaped by an individual's own perspective. It is therefore based on the assumption that there is no single reality, but multiple perspectives and context. It is however important to consider the research implications of utilising the extreme subjectivist and objectivist perspective, before considering what research approach to use. *Figure five* depicts the major research implications arising from each perspective.

	Objectivist/Positivist Perspective	Subjectivist/Anti-positivist Perspective aligned with this study	
<b>Independence</b>	The observer is independent of what is being observed.	The observer interacts with subject being observed.	<b>Interaction</b>
<b>Value-freedom</b>	The choice of what to study, and how to study, can be determined by objective criteria rather than by human beliefs and interests.	Inherent bias in the choice of what to study, and how to study it as researchers are driven by their own interests, beliefs, skills and values.	<b>Value-laden</b>
<b>Cause and Effect</b>	The aim of social science should be to identify causal explanations and fundamental laws that explain regularities in human social behaviour.	The aim of social science is to try to understand what is happening.	<b>No Cause and effect</b>
<b>Deductive</b>	Science proceeds through a process of hypothesising fundamental laws and deducing what kinds of observations will demonstrate the truth or falsity of these hypothesis.	Develop ideas through induction from evidence, mutual simultaneous shaping of factors.	<b>Inductive</b>
<b>Operationalisation</b>	Concepts need to be operationalised in a way which enables facts to be measured quantitatively; static design – categories isolated before study.	Qualitative methods – small samples investigated in depth or over time, emerging design-categories identified during research process.	<b>Operationalisation</b>

<b>Reductionism</b>	Problems as a whole are better understood if they are reduced into the simplest possible elements.	Problems as a whole are better understood if the totality of the situation is looked at.	<b>No-reductionism</b>
<b>Generalisation</b>	In order to be able to generalise about regularities in human and social behaviour it is necessary to select samples of sufficient size; aim of generalisation is to lead to prediction, explanation and understanding.	Everything is contextual; patterns and themes identified – theories then developed for understanding.	<b>Generalisation</b>
<b>Research Language</b>	Formal, based on set definitions; impersonal voice; use of accepted quantitative words.	Informal, evolving decisions; personal voice; use of accepted qualitative words.	<b>Research Language</b>

*Figure 5 Key research implications of the subjective and objective perspectives – Adapted from Holden and Lynch (2004)*

The research philosophy of the researcher according to Saunders et al (2007), also has implications for whether an inductive or deductive approach is utilised. The deductive approach assumes the research will flow from testing theory to hypothesis, whilst the inductive approach assumes that new theory will be created following an understanding of the subject. According to Crowe and Sheppard (2010) however, both the research approaches are often presented as one or the other, with the deductive approach aligned to quantitative research strategy whilst the inductive approach towards the qualitative research strategy. They suggest that in fact both sides use a combination of induction and deductive reasoning, hence argue that both are part of the same process as shown in **figure 6**:

Content removed for copyright reason – the full reference can be found in the references section on page 224.

*Figure 6 Parts of the same process? (Crowe and Sheppard 2010)*

This study however aligns towards the inductive approach, as it seeks to make a contribution toward emergence of new implications for English universities in an increasingly marketised higher education environment. The **figure 7** illustrates these two contrasting approaches to research as described by Longbottom (2017). The deductive is described as theory first and then research tests the theoretical hypothesis, whereas inductive is described as research first and then theory emerges. It also highlights the relevance of the inductive approach for this study.



Stage	Positivist: deductive process (theory then research)	Interpretive: inductive process (research then theory)  <b>This study's inductive approach</b>
1.	Theory	Theory: This study developed an understanding of the critical factors from literature related to the marketisation of higher education
2.	From theory to hypothesis	Themes and factors: This study identified from the literature critical factors to be used as a semi-structure to frame the interview questions
3.	Qualitative data collection	Data collection: Qualitative data was collected for this study by conducting 39 interviews with key informants that were identified
4.	Findings as statistical analysis	Analysis and findings: The findings of this study are presented and after conducting a thematic analysis from interview transcripts
5.	Accept or reject hypothesis	Conclusions: The conclusions for this study were presented in the form of emerging themes
6.	Generalise findings/theory	Develop theory/not generalisable: The implications of this study have been developed from the interpretation of the interview themes. Results are not generalisable but are particular to this study.

Figure 7 Contrasting Deductive Approaches - (Longbottom 2017:16)

### 3.5 Research strategy for this study

According to Saunders, Lewis and Thornhill (2007), research strategy is a general plan that helps the researcher in answering the research questions in a systematic way. It is about selecting the appropriate research methods to answer the emerging research questions, and to form them into a research design and develop research instruments. It is proposed that for this study the research questions emerged from the literature review. These research questions would form the basis of the semi-structured interviews, in helping to guide the conversation.

A qualitative research strategy was deemed to be the most appropriate for this study. This is because according to Kvale (2006), the research questions in a qualitative study like this are primarily concerned with depth, meaning and understanding in social contexts. This study hence followed an inductive approach, within a phenomenological interpretive philosophy. McNamara (1999), suggests that interviews are particularly useful for this as they enable the researcher to get the story behind a participant's experiences. The interviewer is then able to pursue in-depth information around the research topic

It is also argued by Hunt (1991), that the distinction between qualitative and quantitative research strategies is more historical than actual. Trochim (2002), suggests this is because quantitative data is often based upon qualitative judgements whilst qualitative data could be described and manipulated numerically. Holden and Lynch (2004), therefore call for the researcher to adopt a more flexible approach by adopting an intermediate research stance as shown in *figure 8*. This approach is based upon focusing on the research questions and therefore building the research strategy around them.

Quantitative research strategy	Qualitative research strategy	Intermediate research strategy
Employs quantitative research methods	Employs qualitative research methods	Start with the research question
Focuses on cause and effect	Focus on interpretation	Any research without interpretation disaggregate
Reasoning is deductive, starts with theory, develop and test hypothesis	Reasoning is inductive, new theory will emerge	Reasoning is both inductive and deductive, starts with theory and new theory will emerge
Research in a controlled setting limits context	Research in a naturalistic setting does not limit context	All research has a controlled context
Free of researchers own ideas, influences and personalities	Influenced by researchers own ideas, influences and personalities	No research is value free
Free of researcher involvement	Researcher is deeply involved	No research is totally independent from researcher involvement
Uses numbers as data, statistical analysis, large sample size	Uses words as data, thematic analysis, small sample size	It is a matter of precision depending on nature of research

*Figure 8 Qualitative and quantitative research design are more similar than different - adapted from Holden and Lynch, (2004)*

The justification for choosing a qualitative research strategy for this study to be implemented using semi-structured interviews is supported by Vaus (2002), who suggests that qualitative methods are often regarded with providing rich data about real life, people and situations. This allows the researcher to make more sense of behaviors in a situational context. However, it is important to acknowledge that qualitative research is often criticised for lacking generalisability. It is seen as being too reliant on the subjective interpretations of researchers, and being incapable of replication by subsequent researchers. The table below adapted from Jackson, Gillis and Verberg (2007), further draws out the key differences between the two major contrasting qualitative and quantitative research strategies. The **figure 9** also highlights why a more qualitative research strategy will provide with a much deeper understanding, of multiple perspectives on questions surrounding the intensified marketisation of the English higher education landscape.

Quantitative research strategy	Qualitative research strategy - alignment of this particular study on perspectives surrounding the intensified marketisation of English higher education
Single reality	Multiple realities – sample of different types of English institutions and perspectives surrounding intensified marketisation of English universities
Research is objective	Research is socially constructed - because institutions vary in terms of size and geography
Research is context free	Research is context specific - as perspective might depends on nature of institution, personal ideology, role of the individuals
Reductionist	Holistic - perspectives on key debates linked to questions surrounding intensified marketisation of English universities
Strong theoretical base	Strong philosophical perspective - interpreting, analysing different perspectives linked to the marketisation of English higher education
Reasoning is deductive	Reasoning is inductive – the emergence of new themes and language
Cause and effect as the bases of knowledge	Discovery of meaning as bases of knowledge - the meanings of the emerging themes
Tests theory	Develops theory - the emerging narrative and implications from the emerging themes

*Figure 9 Quantitative Research Strategies - adapted from Jackson, Gillis and Verberg (2007)*

### 3.6 Research Design

The research strategy will be implemented through the research design, which according to De Vaus (2006), refers to an overall framework used by the researcher to integrate different stages of a research study. This must be done in a logical and coherent manner so that the research questions are addressed effectively. It comprises the planning stage which includes sample selection of key informants, background data gathering and gaining access. The next stage of the research design is data collection by employing a thematic research process,

which begins by conducting research using a semi-structured interview format for this study. This is followed by data analysis and data reduction from taped interviews to transcripts, which were then coded to reduce raw data and extract the key themes. The last stage of the research design is the presentation of thematic data analysis into findings, analysis and the major implications of this study.

This study focuses on the opinions of a cross-section of key informants in and around English universities, about the intensified marketisation of the English higher education landscape. The research approach as explained in the earlier sections is inductive and the research strategy qualitative. The research design is descriptive and contextual. According to Burns and Grove (2010), descriptive research is geared to provide a snap shot of a phenomenon as occurs in a natural setting. It therefore may be used not only to justify current practice but also make informed judgments to develop contextual implications. For the purpose of this study, the descriptive approach to research design was used to paint a picture of how key informants had interpreted the impact of policy changes to the funding of English higher education announced in 2010/2011.

The context is also significant in a qualitative research design. According to Holloway and Wheeler (2002), the context includes environment and conditions in which a study takes place, along with the culture of participants and their location. The participants in this study were senior managers in English universities and policy analysts of higher education. The contextual settings of the semi-structured interviews with senior managers were a range (size), type/character (traditional, modern, private) and location (geography) of English universities. The policy analysts were interviewed mainly in their offices based in various location in England.

### 3.6.1 Research planning

The research planning stage of the research design according to Longbottom (2017), gives consideration to the sampling approach used in a research study. It also provides clarity about what preparation was done before the informants were interviewed, and how access to them was gained

According to Marshall (1996), choosing a sample to be studied is a significant part of a research project. This is because it is not feasible, productive or ethical to study the entire population. In the case of quantitative research there are some clear and specific methods that can be followed. The aim of most quantitative sampling approaches is to be able to select the most representative or random sample from the entire population. This is to enable the researcher to generalise the results back to the defined population.

According to Bryman and Bell (2015), the rules for selecting a qualitative sample size are far less clear cut and therefore a careful justification is important for each particular study. This is to create a position which a researcher can justify. A qualitative research study such as this one is less concerned with the principle of generalisability. According to Thomas (2004:131), it is referred to as 'particularisable', where the results add value by offering a deeper understanding of a case study or individuals in a particular context. The application to other contexts might be implied but only subject to the interpretation of the researcher and other interested stakeholders.

Baker and Edwards (2012), suggest that in order to justify sample selection the researcher must refer back to the relevance and context of the study. This should be done by paying close attention to the objectives of the study. They clarify that choosing a random sample may therefore not be the most effective way of developing an understanding of the complex issues. In the case of this particular study a number of polarising debates emerged from the literature review surrounding the intensified marketisation of English higher education. The themes that emerged from the literature formed an important background, which informed the composition of the sample when considering who to interview for this study.

According to Marshall (1996), there are three main strategies to selecting a sample for a qualitative study. The first strategy is convenience sampling, which is considered to be the least rigorous technique as it involves selection of the most accessible subjects. It is seen as the most efficient to the researcher in terms of time, effort and money. It is however said to result in poor quality data that may lack in intellectual credibility. The second one according to Glaser and Strauss (1967), is called theoretical sampling. In using this approach sampling is

primarily guided by emerging theory. It is the principal sampling strategy which is adopted for the grounded theory approach.

The third sampling strategy according to Fogelman and Comber (2007), used in qualitative research and also preferred for this particular study is called judgement or purposive sampling. This is where the researcher selects a sample to answer the research question. The researcher selects only those in the sample which are deemed to be the best possible representation of the population with regards to the research topic. This sampling strategy according to Marshall (1996), is reliant on the researcher's knowledge of the research area, hence the literature review is an important source of background information for this particular study. It is also considered to be a more intellectual strategy than a basic demographic stratification used for quantitative studies. If the informants are familiar to the researcher, they may be categorised based upon their views. When selecting a sample it is useful to consider, whether to select a range of informants, outliers who might lie outside the main group that is to be studied, informants who might offer specific insights or might have special expertise. The informants might also be able to recommend other relevant potential subjects for the study known as a snowball approach. It becomes important during interpretation of data to consider informants views who agree with emerging perspectives and, also more significantly, those who disagree.

The limitations are that purposive sampling might not be considered to be a full proof scientific method as the sample is selected by the researcher on a judgement basis. The researcher must therefore try and ensure that the outcomes are not impacted by their personal views. For this study the interpreted findings and implications were shared with two independent reviewers to ensure that an element of objectivity was incorporated. This also helped with refining the outcomes of the study which were interpreted from a marketing perspective, as the researcher is a senior lecturer in marketing in an English university. It was important to clarify this as this might be a potential limitation and a potential advantage of this study.

### 3.6.2 The sample for this study

The purposive sample for this study included a total sample size of 39 key informants. These informants were interviewed to find out their views about intensified marketisation of the English higher education landscape. All the informants were interviewed during the period 2011/12, in the aftermath of major changes to the funding of English higher education.

These first category of informants were 12 senior managers from eleven English universities which are classed as pre 1992s for the purpose of this research. This is because they had gained university status prior to 1992. These were selected to gauge views of senior managers surrounding intensified marketisation amongst these more traditional or older universities. They are also considered as more research-intensive universities mainly part of mission groups such as the Russell Group and the disbanded 1994 group. Only one university in the sample of pre 1992s is part of another mission group known as the University Alliance.

The second category of key informants included 15 senior managers from ten English universities, which are termed as post 92s for the purpose of this research. They had all been given university status since 1992. This would enable to gauge perspectives of senior managers in these modern or new universities. These are considered to be more teaching-intensive universities and are mostly part of mission groups such as the University alliance and the Million + group. The pre and post 1992s are also classed as public universities because their fees for home students are regulated by the government.

The third category of key informants came from three institutions classed as private universities. This is because their fees are not regulated by the government. The private universities and a couple of public universities in the sample are not aligned to any mission group. The fourth category of key informants included nine individuals who were termed as policy analysts. This is because they were involved in either the shaping, informing, analysing or critiquing of English higher education policy. The intention behind the choice of such a sample was to be able to acquire views of representatives within different types of universities based in different regions of England. The views of policy analysts would provide outside in perspectives on the impact of marketisation policies upon English universities.



### 3.6.3 How were candidates accessed?

A formal request was made via open email to a variety of universities and policy analysts, these informants agreed to be interviewed. The suggestion offered by Okumus, Altinay and Roper (2007), was followed by making initial telephone contact with the gatekeepers to the informants. These were typically personal assistants, who had access to the agreement and availability of the potential informants. This was followed by an e-mail outlining briefly the context of the research study, and the scope for the semi-structured interviews. This also included the ethical assurance of confidentiality and that the name of the informant would be anonymised. As advised by Buckingham and Saunders (2004), the interview dates were then agreed to suit the availability of the informants. An average of an hour was granted for the interviews, and permission was also gained to tape record the interviews. The physical setting for the interviews was the offices of the informants, as this was most feasible for both parties. Gummesson (2000), also identifies the need to gain mental access by being able to understand what is happening and why in the research settings. In the case of this study it would mean forming some initial impressions about the location and the ambience of the interview location to get a feel of the place. It was also important to undertake preparatory work about the research setting and the informant to help build rapport and understanding of views. An anonymised list of informants interviewed for this study is provided in **figures 10** older universities senior managers, **figure 11** modern universities senior managers, **figure 12** private universities senior managers and **figure13** policy analysts:

Pre 92s	Mission group	Job title	Region
SM1 (OU)	1994 group	Director of Marketing	East Midlands
SM2 (OU)	1994 group	Vice Chancellor	East Midlands
SM3 (OU)	Russell group	Director of Marketing	South West
SM4 (OU)	Russell group	Vice Chancellor	North East
SM5 (OU)	1994 group	Director of Marketing	London
SM6 (OU)	Russell group	Vice Principal	London
SM7 (OU)	Russell group	Pro Vice Chancellor	Yorkshire and the Humber
SM8 (OU)	Russell group	Director of Marketing	West Midlands
SM9 (OU)	University Alliance	Director of Strategy	South East
SM10 (OU)	Russell group	Provost	London
SM11 (OU)	Russell group	Principal	London
SM12 (OU)	Not aligned to a mission group	Vice Chancellor	West Midlands

*Figure 10 12 senior managers coded as (SM) interviewed from 11 Pre 92s coded as older university (OU)*

Post 92s	Mission group	Job title	University
SM1 (MU)	Million + group	Vice Chancellor	West Midlands
SM2 (MU)	Million + group	Pro Vice Chancellor	East Midlands
SM3 (MU)	Million + group	Vice Chancellor	East Midlands
SM4 (MU)	Million + group	Pro Vice Chancellor	East Midlands
SM5 (MU)	Million + group	Director of Marketing	East Midlands
SM6 (MU)	University alliance	Director of Marketing	Yorkshire and the Humber
SM7 (MU)	Million + group	Director of Marketing	South East
SM8 (MU)	Million + group	Vice Chancellor	South East
SM9 (MU)	University alliance	Vice Chancellor	North East
SM10 (MU)	University alliance	Vice Chancellor	East Midlands
SM11 (MU)	University alliance	Pro Vice Chancellor	South East
SM12 (MU)	Million + group	Vice Chancellor	West Midlands
SM13 (MU)	Million + group	Executive Dean	West Midlands
SM14 (MU)	Million + group	Pro Vice Chancellor	West Midlands
SM15 (MU)	Not aligned to a mission group	Dean	North West

*Figure 11 15 senior managers coded as (SM) interviewed from 10 Post 92s coded as modern university (MU)*

Post 92s	Mission group	Job title	Region
SM 1 (PU)	Not aligned to a mission group	Vice Chancellor	London
SM2 (PU)	Not aligned to a mission group	Vice Chancellor	London
SM3 (PU)	Not aligned to a mission group	Vice Chancellor	South East

*Figure 12 3 senior managers coded as (SM) interviewed from 3 private universities coded as (PU)*

Post 92s	Job title	Region
PA 1	Head of Policy of Sector Body	National
PA 2	Chief Executive of Sector Body Former Policy Advisor	National
PA 3	Director of Institute	National
PA 4	Director of Consultancy	National
PA 5	Chief Executive of Sector Body	National
PA 6	Special Policy Advisor	National
PA 7	Professor and Policy Critic	National
PA 8	Professor and Policy Critic	National
PA 9	Professor of Higher Education Policy	National

*Figure 13 9 policy analysts were interviewed coded as (PA)*

#### 3.6.4 Why 39 interviews, why no more or no less?

This was due to practical considerations such as time frame for conducting interviews, the cost of travel and most importantly who would agree to be interviewed. These were important considerations for the number of key informants interviewed for this particular study. The researcher did try and access a number of other prospective informants, where access could not be gained. The main principle applied in terms of sample size is described by Yin (1994), when a point of saturation is reached. This concept of data saturation according to Miles and Huberman (1994), is only reached when the researcher deems nothing new is being added by interviewing any more informants.

According to Marshall, Cardon, Poddar and Fontenot (2013), data saturation however is an elusive concept. This is because in qualitative research there is no agreement on what that point of saturation might be. Baker and Edwards (2012), clarify that the sample size in qualitative studies may vary depending on resources and the scope the study. Guest, Bunce and Johnson (2006), examined a cross section of qualitative studies to offer some general guidelines. They suggest a sample of twenty to thirty interviews for an interpretive study like this. They do warn that these were only general guidelines, as it will only be for the researcher to justify the sample in the context of a specific study. For the purposes of this research it was felt that a sample size of thirty nine informants is in line with the general guidelines. The sample size would also be fairly representative of the English higher education landscape. This is because the sample has a range of public and private, old and modern English universities also belonging to different mission groups from within the sector. This would allow for gleaning senior management perspectives on the changes to English higher education policy. These could be cross referenced by the views of policy analysts whose role it is to take an outside-in-view of English universities.

#### 3.6.5 Research method (thematic analysis)

This section will seek to justify the choice of the qualitative research method chosen for this particular study. According to Jackson, Gillis and Verberg (2007), qualitative research methods make different assumptions to quantitative research methods. Qualitative research methods generally strive to focus on seeing the world from the perspective of the research informants. They also seek to make sense of the research phenomena in terms of the meanings that informants bring to them. They focus on achieving a holistic emphasis by studying the individual, groups and cultures in their natural setting. There are a number of qualitative research methods, as shown in **figure 14** with particular features, advantages and disadvantages. These need to be considered to justify the choice of a particular research method:

Research method	Key Features	Advantages	Disadvantages	Key reference
Case study	Focus on single or few selected cases of relevance	Allows for intensive examination	Bias of choice and relevance of results outside the case	Yin (1994)
Grounded theory	Generate new theory from the data, both go hand in hand	Logical sequence of steps to followed	Seen as prescriptive, subject to abuse and modification	Glaser and Strauss (1967)
Interpretive phenomenological analysis (IPA)	Trying to understand experiences of participants	Rich and complete description of experiences	Could be seen to be too reliant on individual experience	Larkin and Thompson (2012)
Ethnography	Immersion into the life of subjects	Rich insights into life and unfolding events	Immersion difficult to achieve in practice	Hammersley and Atkinson (2007)
Action research	Researcher and participant collaborate	Tackling real problems that arise	Conflict of interest	McNiff and Whitehead (2005)
Discourse analysis	Focus shifts to language and context	Allows picking of informal messages and feelings	Time consuming and ambiguities may arise	Potter and Wetherell (1987)
Thematic analysis	Focus on identifying, analysing and reporting patterns within data	Flexible and independent of prevailing theories	Lack of clear and concise guidelines with anything goes perception	Brawn and Clarke (2006)

Figure 14 Qualitative research methods

The research method that was preferred for this particular study is the thematic analysis. According to Braun and Clarke (2006), a thematic analysis is a method for identifying themes, analysing and reporting patterns within data. It enables the opportunity to organise and describe the data in rich detail. It also goes beyond this to allow for interpreting the different aspects of the research topic. According to Boyatzis (1998), thematic analysis is often criticised as a poorly branded research method, due to suggestions that it lacked clear and concise guidelines. Antaki, Billig, Edwards and Potter (2002), refer to the ‘anything goes critique’ of the thematic analysis method, hence it is criticised as lacking in rigour. This study will follow the systematic process and guidelines provided by Braun and Clarke (2006), to minimise these criticisms associated with the thematic analysis method.

The thematic analysis method was deemed to be appropriate for the requirements of this particular study due to the following reasons. Firstly as Alhojailan (2012), points out that a good qualitative study must be able to draw interpretation from the data collected. This study was designed to provide an interpretation of the perspectives gathered from the informants who were interviewed for this study.

Secondly because Frith and Gleeson (2004), suggest that the flexibility provided by the thematic analysis method allows it to be used both for inductive and deductive purposes. In this research study the literature review fulfilled the deductive purpose through the identification of key theoretical themes. These themes generated from the literature review formed the core of semi-structured framework. This was then utilised as a pro forma for the thirty nine semi-structured interviews that were conducted for data collection purposes. The thematic analysis process of Braun and Clarke (2006), was then be employed to generate themes from analysed data. The themes generated from analysed data provided the scope for induction, where the key implications from this study were identified.

Thirdly according to Creswell (2012), the thematic analysis method could be appropriate when a study aims to understand the perception of an individual in a specific context. This allows for understanding how the same context might be interpreted from different perspectives. With this in mind, the thematic analysis method was considered suitable to deal where the data analysis would be able to highlight the similarities and differences within the data set. An example might be the comparing and contrasting of the views of senior managers from different types of universities, with those of the policy analysts.

Finally as Miles and Huberman (1994) conclude, the thematic analysis method provided an opportunity to code and categorise into themes. This, in the case of this study, enabled the systematic organisation of the entire data set into manageable chunks. These can then be further analysed and assigned to the emerged pattern, which would subsequently be labelled as themes and sub-themes.

### 3.7 The thematic analysis process followed for this study

This section will describe the thematic analysis process followed by this study. The process follows the four stage data analysis model of Miles and Huberman (1994). These are data collection, data reduction, data display and drawing conclusions of the study. Each of these will be discussed in turn in the context of this study.

#### 3.7.1 The data collection process

Data collection is the first stage of any data analysis process according to the above model developed by Miles and Huberman (1994). The data for this study was collected using semi-structured interviews with 39 key informants. These interviews took place at the various locations where the informants were based. This study followed advice offered by King (1998), who suggests that a qualitative interview should have the following characteristics:

- a low degree of rigidity to the structure
- a dominance of open style questions
- a focus on actions and situation in the world of the interviewee

These characteristics gave weight to the interview taking place within the interviewee's own setting, thus providing the researcher with additional benefits of understanding the context, observing behaviours and the environment. This also facilitated the gating of examples and other evidence regarding the geography, the makeup of the student body and the aesthetics of the interview settings. King (1998), also points out that any natural interruptions that occur within the field can also provide the researcher with a better understanding of the context and environment.

The advice for a low degree of structure view is further supported by Thomas (2004), who suggested preparing an interview plan. This plan might not necessarily be in the form of questions. It should instead be designed to facilitate a conversation with a clear purpose. He advocates the use of critical factors which emerged from the literature review. These should

be supported with probes and prompts during the conversation. An example of the interview plan used for this study is demonstrated in *figure 15*:

<b>Interview plan: Study titled – A study of intensified marketisation of English universities</b>
<b>Name of interviewee:</b>
<b>Position:</b>
<b>Background to interviewee and research setting:</b>
<b>Purpose: To establish an understanding of perspectives surrounding policy changes leading to the increased marketisation of the English higher education landscape</b>
<b>Date:</b>
<b>Time:</b>
<b>Place:</b>
<b>Present:</b>
<b>Transcript: (full interview transcripts submitted as document 2)</b>
<b>Key interview topics: Interviews based upon the following critical factors emerging from the literature review</b>
1). Universities becoming like businesses
2). The rise of the market in English higher education
3). The benefits of going to university
4). The rise of consumerism in English higher education
5). The rise of student as customer in English higher education
6). Factors that influence choice of university
7). Implications of emerging policy landscape for English universities

*Figure 15 Interview Plan*



The data collection process involved in each informant giving signed permission for the interviews to be recorded and transcribed for the purposes of this study and research only. Each interview was on average an hour long, whilst some overran as the informant in that instance wished to carry on with the conversation. Each hour of conversation took on average five hours to transcribe, and doing this across thirty nine interviews was time consuming to ensure accuracy of content. The transcripts focused on transcribing the contents of the conversation rather than capturing specific emotions such as silences, body language or tone of voice. This is because the key focus of this study, was on collecting rich data providing a snapshot of the emerging perspectives. This is consistent with the preference for the thematic analysis method over discourse analysis. This is because the thematic analysis focuses on identifying, analysing and reporting patterns within data. The discourse analysis focuses on shifts to language and context.

### 3.7.2 The thematic analysis process – data reduction, data display and conclusions

The thematic process model of Miles and Huberman (1994), follows data collection with three further stages of data analysis. These are data reduction, data display and drawing conclusions. Data reduction is the first stage in data analysis as per the Miles & Huberman (1994) model. It involves the sharpening, sorting, focusing, discarding, and organisation of data to enable final conclusions to be drawn. According to Halldorson (2009), this requires coding and labelling to develop links between different parts of the data. The coding is derived from categorising participants' responses under emerging patterns. This Coffey and Atkinson (1996), suggest helps the researcher to review the whole dataset, to establish what it is trying to say.

The next stage of the data analysis is called data display. According to Gibbs (2008), it involves the assembling and organising of information to enable drawing of conclusions and potential implications. This is done by the focus being on visualising data by utilising a range of data display techniques. These could be quotations, narrative text, and diagrams. It could also include the use of tables to capture the similarities and differences. These according to Yin (2015), help with the challenges associated with making sense of complex data. Patton (1990),

clarifies that it increases the overall reliability of the research. The presenting of different quotations is also aimed to provide evidence, support and validate the interpretations.

According to Creswell (2003), the final stage of data analysis is drawing conclusions. This is done by arranging and organising the main themes and sub-themes into a clear structure. This enables to develop coherent findings and subsequently interpretive conclusions from data which was displayed. It is during this stage that the meaning of contradictory and identical data will need to be clarified. This stage is therefore significant for the development of the overall implications of a research study.

### 3.8 The thematic analysis framework for this study

The Miles and Huberman (1994), model provides a useful framework for carrying out a thematic analysis process. It however does not provide any specific guidance on how to actually do a thematic analysis. Braun and Clarke (2006), provide a more clear and robust framework for carrying out a thematic analysis. This is shown in the **figure 16** and has been adopted for this particular study. This is to ensure that the thematic analysis conducted is empirically robust. This will enable the emerging themes to be reliable, valid and although particular to the sample for this study, they could potentially apply beyond it too.

Phase	Description of the process
1. Familiarising yourself with your data	Transcribing data, reading and re-reading the data, noting down initial ideas
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code
3. Searching for themes	Collecting codes into potential themes, gathering all data relevant to each potential theme
4. Reviewing themes	Checking in the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme
Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis

Figure 16 Phases of Thematic Analysis - (Braun and Clarke, 2006:35)

### 3.8.1 The adaptation of this thematic analysis framework for this particular study

This study followed the above framework for conducting the thematic analysis. It was also complemented as *the fifteen point checklist provided for a good thematic analysis* by Braun and Clarke (2006). This list is comprehensive and easy to follow in providing a step by step guide of how to conduct a thematic analysis from start to finish. It covers six main phases starting with becoming familiar with the data, the second phase is about generating initial codes, moving in phase three of searching for themes, followed by stage four to review themes, whilst stage five is about defining and naming the themes, all leading to final stage six involving producing the report. This is captured in **figure 17**:

Process	Criteria
Transcription	1 The data have been transcribed to an appropriate level of detail, and the transcripts have been checked against the tapes for 'accuracy'
Coding	2 Each data item has been given equal attention in the coding process  3 Themes have not been generated from a few vivid examples (an anecdotal approach), but instead the coding process has been thorough, inclusive and comprehensive  4 All relevant extracts for all each theme have been collated  5 Themes have been checked against each other and back to the original data set  6 Themes are internally coherent, consistent, and distinctive
Analysis	7 Data have been analysed – interpreted, made sense of - rather than just paraphrased or described  8 Analysis and data match each other – the extracts illustrate the analytic claims  9 Analysis tells a convincing and well-organised story about the data and topic  10 A good balance between analytic narrative and illustrative extracts is provided
Overall	11 Enough time has been allocated to complete all phases of the analysis adequately, without rushing a phase or giving it a once-over-lightly
Written report	12 The assumptions about, and specific approach to, thematic analysis are clearly explicated  13 There is a good fit between what you claim you do, and what you show you have done – i.e., described method and reported analysis are consistent  14 The language and concepts used in the report are consistent with the epistemological position of the analysis  15 The researcher is positioned as <i>active</i> in the research process; themes do not just 'emerge'

Figure 17 A checklist of criteria for thematic analysis by Braun and Clarke (2006: 36)

### 3.8.2 How did the themes emerge and how were they reported for this study?

According to Alhojailan (2012), any qualitative data collection is also reliant on its interpretation. This means that the data firstly requires to be organised. This is important as a large amount of qualitative evidence was gathered from the thirty nine interviews conducted for this particular study. Gibbs (2008), has also articulated some the steps which were followed alongside the framework provided by Braun and Clarke (2006), to generate the themes for this study. This helped to generate more efficient and robust outcomes.

The first step is to compact extensive and diverse raw data into a succinct structure. This could be achieved by organising data into charts and tables. This provides the researcher the opportunity to identify, compare and determine the data upon which to focus. As shown in **figure 18** the responses of each interview topic for the study were clustered together from each of the interview transcripts. This enabled the researcher to get a feel of the data and conduct an initial interpretation. This was an important stage in terms of organising the data in a structured manner.

Cohen, Manion and Morrison (2011), suggest that in a thematic analysis there is often little distinction between data collection and its analysis, as both of these can be simultaneous. The second step hence followed for generating themes in this study was data familiarisation. This was done by using colour coding to highlight the key segments of data for each interview topic. This enabled the researcher to get closer to the data and recognise the patterns that were beginning to emerge. At this stage extensive handwritten notes were also made on the transcripts to capture the initial interpretations of the researcher in more detail.

According to Gibbs (2008), the third step for generation of themes was data labelling. This is done by coding the data by systematically marking it. In the case of this particular study as shown in **figure 18** each informant was allocated a unique label to anonymise their identify. The data was further organised by using the Microsoft word software to allocate numbers for each line of text. As recommended by Ryan and Bernard (2003), data was then coded to capture repetitions, typologies, metaphors and any analogies used by the informants. The codes also included words that captured any particular significance of something to the

informants. The coding of data was done manually rather than using recommended software such as NVivo. This manual approach to coding was preferred as Welsh (2002), had concluded that software is a useful tool to organise the data and provide surface level analysis. It is however restrictive in the case of a thematic data analysis. This is because of the fluid and creative manner in which themes can emerge. The manual coding allowed the researcher to get closer to data by studying it repeatedly. It also allowed for refining the codes to ensure that they were valid and reliable, and to ensure that they stood up to the scrutiny of two independent reviewers.

According to Braun and Clarke (2006), irrespective of whether the data was coded using software or manually, it is more important that consideration is given to what comprises a theme. The fourth step therefore for this particular study was of ensuring that emerging themes were interpreted and connected to tell a coherent story. This is demonstrated in **figure 18** where initial themes were coded to ensure that they reflect something important about the data in relation to the overall research question for this study. These initial themes are representative of patterns occurring within the data set. In terms of what constituted an initial theme prevalence in terms of space within each interview topic and across the entire data set was an important criteria. The criteria of 'keyness' where a theme is not necessarily reliant upon quantifiable measures, but in terms of whether it captures something important in relation to the overall research question was also applied. This ensured that the emerging themes were not just based on the number of occurrences, but also balanced with equal importance given to smaller yet significant patterns.

The fifth step that underpins themes generation for this study according to Gibbs (2008), is the need to now review and organise the themes. This Braun and Clarke (2006), suggested involves moving now from semantic to latent themes. The semantic themes are mainly descriptive with some interpretation, whilst latent themes are rich in interpretation and analysis. The semantic approach in this instance was applied in terms of understanding the links between the more prevalent themes, and the less prevalent sub-themes. As shown in **figure 18** the themes were organised at three levels. The levels one and two comprised of the smaller sub-themes, whereas level three were qualified as a major theme emerging from a particular interview topic. This review and organisation of themes in such a manner along with

another objective scrutiny from the two independent reviewers, further added to their reliability and validity.

The sixth step utilised for generating themes was finally the reporting of themes from transcribed data, an example of which can be found in **Appendix 3**. According to Bazeley (2009), this is when the themes attain full significance as they are linked to tell a coherent story. The **figure 18** depicts that themes are reported in Chapter 4 of this study with level one and two being as the sub-themes, whilst level 3 as the major theme from the specific interview topics. Bazeley (2009), suggests that a coherent story can be arrived at following a three step approach of describe, compare and relate. The ‘describe’ is to articulate the characteristics and boundaries of the theme. The ‘compare’ is to establish if the theme occurs with varying frequency for or how expressed by different groups. The ‘relate’ is about evaluating if the theme arises under particular conditions, the actions involved, and possible implications.

Process	Example – Interview topic: Universities becoming like businesses
<p>Step 1</p> <p>Transcription – a raw transcribed exact from an interview</p>	<p>I think universities have become like business for some time, they operate in a particular market place, with different issues, they are not about selling goods, but they do sell a service, that service is not a degree, it is the opportunity to study for a degree, I think they are autonomous and not public sector, although traditionally marginally funded by the public sector, so it is right to regard them as businesses, I don’t have a problem with that, what I would have a problem with is if you lose sight of what your business objective is – which is delivering your programmes to students.</p>
<p>Step 2</p> <p>Data familiarisation – starting to highlight some key segments</p>	<p>I think universities have <b>become like business for some time</b>, they operate in a particular market place, with different issues, they are not about selling goods, but they do sell a service, that <b>service is not a degree</b>, it is the opportunity to study for a degree, I think they are autonomous and not public sector, although traditionally marginally funded by the public sector, so it is right to regard them as businesses, I don’t have a problem with that, what I would have a <b>problem</b> with is if you lose sight of what your business objective is – which is delivering your programmes to students.</p>
<p>Step 3</p>	<p><b><u>Label</u></b></p> <p><b>University type – Post-92</b></p>

Data labelling - into categories of pre-92, post 92, private and other informants and individuals labelled, lines numbered for data location	<p><b>Name - Person interviewed</b></p> <p><b>University</b></p> <p><b>Job title</b></p> <p><b>Interview number</b></p> <p><b><u>Post-92 universities</u></b></p> <p><b><u>Code - MU/MG/Staffs/VC/1 =</u></b></p> <p><b>1Answer:</b> I think universities have become like <b>2</b>business for some time, they operate in a particular market place, with different <b>3</b>issues, they are not about selling goods, but they do sell a service, that service is <b>4</b>not a degree, it is the opportunity to study for a degree, I think they are autonomous <b>5</b>and not public sector, although traditionally marginally funded by the public sector, <b>6</b>so it is right to regard them as businesses, I don't have a problem with that, what I <b>7</b>would have a problem with is if you lose sight of what your business objective is – <b>8</b>which is delivering your programmes to student</p>
<p>Step 4</p> <p>Generating initial themes</p>	<p>Not losing sight of <b>core mission(linked to values dilemma)</b> important</p> <p><b>Shift in government policy</b> wishes to see students being consumers</p> <p>Formalisation of HR, professional marketing, 'big things aren't they universities', shift last 10 years, more noticeable now <b>- Economic footprint</b></p> <p>more <b>business like</b>, <b>policy shift</b> – fee regime</p> <p>'Cost is now with the consumer' 'big change'</p>
<p>Step 5</p> <p>Reviewing and organising themes</p>	<p>Literature debate – Universities have become like businesses</p> <p>Level 1 themes based around what different categories of informants think</p> <p>Level 2 the key overall subthemes</p> <p>Level 3 the key overall theme</p>
<p>Step 6</p> <p>Emerging themes</p>	<p>Level 1: Post 92s (inevitable), Pre 92s (identity), Private (clarify), Others (Polarisation)</p> <p>Level 2: Relational shift, Cultural shift, Values conundrum</p> <p>Level 3: Business like</p>

Figure 18 An example of how a theme was generated for this study



### 3.8 Limitations of this research

The challenges that any qualitative research study including this research piece, is to tackle the limitations in four aspects. According to Saunders and Lewis (2014), these aspects are validity, reliability, bias and ethics.

#### 3.8.1 Validity

According to Trochim (2005), validity is about demonstrating the credibility and trustworthiness to establish that the findings present a true picture of the research situation. It is also concerned with the integrity of the data gathered and the conclusions. This study followed the advice of Miles & Huberman (1994), who recommend that validating themes in the early and late stages of data analysis is essential. As suggested by Trochim (2005), two independent peer reviewers, who were both marketing academics, were involved in the early stage to evaluate the initial themes. This was also to ensure that in the thematic analysis the themes identified were representative of the whole data. Their feedback was useful in ensuring that the labelling and coding of data was agreed. The final themes and sub-themes were also scrutinised by the two reviewers to ensure their accuracy and validity. The limitation of this study is that findings of the thematic analysis were not subjected to member checks. According to Lincoln and Guba (1985), this is when the themes and implications are tested and feedback obtained from the informants who participated in the study. This has obvious benefits as it provides informants the opportunity to assess the preliminary results, however it also has drawbacks. Angen (2000), critical of the use of member checks to establish the validity of qualitative research. This is on the basis that it is reliant on the assumption that this is one account of reality by a researcher and validated by a respondent. It is argued that from an interpretive perspective, an understanding of situation is co-created hence there is 'no single truth' or 'reality' to which the conclusions can be compared. It may also lead to confusion rather than validation as the participants might have changed their opinion about an issue. This might have an impact on their original perspective, because the situation might have changed since the time of the interview. This study is therefore a snapshot of the researcher's interpretation of the informants' views at the time when the interviews were conducted.

### 3.8.2 Reliability

According to Bryman and Bell (2015), reliability is about ensuring that if the same research was carried out independently by different researchers the results could be replicated. Trochim (2005), suggests that replication might be difficult if for example the conditions within the research setting were fluid and ever changing. The study had followed the advice of Miles and Huberman (1994), by involving two independent peer reviewers for their feedback. This enabled to consider the feedback of both independent reviewers to build in analytical credibility. The main purpose of this procedure as Hosmer (2008), pointed out was also to build reliability into the thematic analysis coding. This allowed for any conflicting results to be highlighted and for themes to be streamlined. Another aspect of reliability according to Lincoln and Guba (1985), is the challenge of transferability. Transferability refers to the extent to which the results of a qualitative study can be generalised to other contexts. This is a potential limitation of this study with an informant sample of thirty nine interviews. This sample, although contained a range of English universities and policy analysts, could be contentious in terms of its representativeness. This approach to generalise has been challenged by Kvale (2006), by proposing that the quest to generalise should be replaced by an emphasis to contextualise. This according to Thomas (2004), means that the results are specific to the context of this particular study. Application to other contexts can be inferred where similar characteristics are present, this is however subject to the interpretation of those who wish to do so.

### 3.8.3 Bias

According to Miles, Huberman and Saldana (2013), bias refers to the extent to which the researcher or participant might try to influence the process of data collection, findings and analysis. This according to Lincoln and Guba (1985), is also referred to as confirmability. This is important to address as research limitation in qualitative research, because it assumes that each researcher brings a unique perspective to the study. It also refers to the extent to which the results could be confirmed by others. According to Kvale (2006), bias cannot be fully eliminated but counteracted by carefully checking for effects of bias in informants and the researcher. There are a number of strategies for reducing bias. The researcher could be explicit

in reflecting upon their own prejudices as one step towards countering their unintended influence on the research findings. In the case of this study it was important to acknowledge that the informants might have been influenced by their own agendas and personal ideologies. The same could apply to the researcher who might have been influenced due to his background as a marketer. It was therefore important that careful attention was given to process, planning, data collection, analysis and presentation as part of building a robust research design for this study. As suggested by Trochim (2005), the two independent peer reviewers both of whom were also marketing academics took a devil's advocate role with respect to the derived themes. This was to ensure the themes represented all the different perspectives from the data collected.

#### 3.8.4 Ethical considerations

According to Birch and Miller (2002), ethics are a consideration of good conduct and grounds for making judgements which demonstrate good conduct in a research study. It is however pointed out by McCarthy (1998), that no area of life and work is free from ethical dilemmas, therefore the field of research is no exception. There are many reasons for ethical norms to be adhered throughout any research study, however there are two main principles according to Stevens (2013). Firstly, ethical norms such as confidentiality, dignity, rights and well-being of participants should be major considerations of any study. Secondly, ethical norms are in place to ensure any that misrepresentation or falsification of data is prevented. In constructing the research design, these two ethical principles were given considerable amount of attention, to acknowledge that ethical challenges may arise throughout this research study. For the purpose of this research the main ethical considerations followed were by Longmire (1983), of confidentiality, informed consent, deception or potential risk to an informant's reputation. It was therefore essential for this study to make explicit from the outset that an informant's identity would be anonymised throughout the research study. It was hence important to get informed consent at the start of each interview when both the informant and the researcher signed a consent form. A copy of the consent letter and the consent form which also include the interview questions is attached in **Appendix 1 and Appendix 2** respectively. This was to ensure that the participants felt secure that their identity will be protected during the conducting, writing and disseminating stages of this

research study. The consent letter and consent form were formally approved by a programme committee in 2010 chaired by the programme leader for the Doctorate in Education (EdD) at University of Derby. This was after the researcher had successfully passed the research methods module during the one year taught phase of the EdD, which was undertaken during the period of 2009-10. The study also complied with the guidelines for educational research recommended by the British Educational Research Association (BERA, 2011).

### 3.9 Summary of the methodology

The main areas considered for methodology are summarised in the **figure 19**. It is to provide a snapshot of the major methodological considerations for this research study.

Main topics	Brief description	Application to this study
Research purpose	The overall research question	How is intensified marketisation of English universities understood by senior managers and policy analysts?
Research philosophy	Beliefs about how knowledge develops, Positivist or interpretive  Positivist: Scientifically tested Interpretive: Socially constructed	Interpretive philosophy preferred to gain deep insights and diverse perspectives about increased marketisation of English HE
Research approach	Beliefs about knowledge captured, Deductive or inductive  Deductive: Theory then research Inductive: Research then theory	Inductive approach preferred to develop new implications and ideas for English universities in the marketised landscape of the future
Research strategy	Choice of research method quantitative or qualitative	Qualitative strategy preferred to be implemented by identifying a sample of key informants to conduct semi-structured

	Quantitative: Cause and effect focus Qualitative: Interpretation focus	interviews with to gain their insights and perspectives
Research planning	Sample selection  Background data gathering  Gaining access to informants	Purposive sample of informants  Literature review as background  Access gained mainly via gatekeepers of informants
Data collection	Design of research instruments  Conducting of research fieldwork	Topics for interview plan emerged from literature review  Interviews were tape recorded in informants' own location
Data analysis	Methods and tools for analysis  Data reduction: transcription, coding and analysis	Used a thematic analysis to generate themes from interviews  Steps were data transcription, familiarisation, labelling, generating initial themes, review, organise and present themes
Presentation	Reporting of themes	Written by linking themes which tell a coherent story
Rigour	Validity: Integrity of data capture  Reliability : Integrity of results  Bias: Integrity of objectivity  Ethics: Integrity of researcher	Followed an empirical framework  By involving two peer reviewers  Results reviewed independently  Informants identity anonymised

*Figure 19 Summary of the research methodology for this study*

# Chapter 4

## Findings and Discussion

## Chapter 4 – Findings and discussion

### 4.1 Background and structure

This chapter presents the findings of this study, in the form of major themes and sub-themes. These have emerged from an analysis of the interviews conducted for this study. The data was gathered from 39 semi-structured interviews with senior managers and policy analysts, to capture a snapshot of their views on the 2010/2011 reforms of English higher education policy. The sample comprised of 15 senior managers from the modern post-92, 12 senior managers from the older pre-92, 3 senior managers from private English universities and 9 policy analysts. The interviews took place between the period 2011/2012. The timing of the interviews are particularly significant, as the Browne review of English higher education reported its recommendations in October, 2010. The coalition government's response to the recommendations, was published in the form a white paper in June 2011. The key outcome was the tripling of student fees to £9,000 per year, from September 2012. These fees would controversially be paid by students in the form of income contingent loans. This represented a major shift in how English higher would be funded in the future through increased individual contributions. The major justification provided at the time was that funding will follow student choice, hence incumbents and alternative providers will need to compete for it. It was also envisaged that such competition would unleash the forces of consumerism, which would ensure the survival of the fittest.

The findings and discussion presented below provide a snapshot of what senior managers and policy analysts were thinking as an immediate response to these major market reforms, and therefore how English higher education would be funded in the future. The discussion surrounding three pertinent questions is presented first, as these were deemed to be significant from the literature review. Firstly these reforms were projected as a radical shift, signalling an intensification in the marketisation of English higher education. The first question posed to the interviewees was 'would universities therefore become like businesses'? Secondly the literature review had revealed an explicit policy intention to create a market in English higher education, by introducing market mechanisms such as fee paying students and new alternative providers, driving choice and competition. The question therefore posed was,

‘would this now result in the creation of a free market in English higher education’? Thirdly, the literature review had concluded that trends of market oriented policies by successive governments, and the rise of consumerism within society, had encouraged the commodification of higher education. This has led to the positioning of students as customers. The question posed, ‘how would these reforms impact on students and institutions perceiving the notion of student as customer’?

This chapter then goes on to summarise the responses to other important questions which had emerged from the literature review. These are, who benefits and who should pay for funding for higher education? Would higher education become a commodity, will consumer culture be expressed on campus and to what extent? How would students choose university after a near tripling of tuition fees? What would be the challenges and opportunities facing English universities in a increasingly marketised higher education landscape?

#### 4.2 Are universities becoming like businesses?

When senior managers and policy analysts interviewed for this study were asked, whether as an implication of the market reforms universities might become like businesses, there was a feeling of an ‘identity crisis’ amongst them. The shift in the policy landscape seemed to have opened a Pandora’s Box, which meant that English universities were left introspecting about their identity in an increasingly marketised sector. The identity crisis is described by the author as a period of uncertainty and confusion in which an organisation’s sense of identity becomes insecure. In this case the identity crisis is whether universities view themselves as an educational provider or a business? The overall opinion was polarised, with some of those interviewed adamant that universities never were or should become like businesses in the future. There were some who argued that universities had always been businesses. This was because they were autonomous and independent business organisations, who had always operated in a competitive environment. The majority of those interviewed were of the opinion that universities were both, a business that had to be effective and efficient and an education institution, which created and disseminated knowledge to its stakeholders. A strong consensus had however emerged that universities had increasingly been behaving like businesses over a period of time. This had been in response of the need to replace declining government funding with other income streams.



### 4.3. Sub themes by categorisation of informants

When the responses to the same question were analysed by category, interesting thematic differences were revealed in opinions between senior managers of modern, older and private universities, alongside reflections by policy analysts.

#### 4.3.1 A sense of inevitability amongst modern universities

The analysis of responses by senior managers interviewed from modern universities, when asked whether universities were becoming like businesses, revealed a feeling of inevitability amongst them. This idea of inevitability seemed to suggest that these universities were reluctant about having to behave like businesses. Some senior managers thought that the higher education reforms had forced them into having a fundamental rethink of their identities, for them to survive and sustain in the future. As one senior manager had stated:

*I think, well first of all you cannot deny that businesses are becoming universities, I know that is not what you have asked, but, I think that it is of relevance you've got – private sector, for profit organisations – Pearson, BPP who are coming into the market, and they will be businesses who are offering higher education. So since we operate in the same place as those organisations inevitably whether universities of the traditional kind are businesses or not they are going to have to adopt more business like behaviours because they are operating the same space as things which are businesses.*

(Senior manager 2, MU)

This senior manager appears to suggest that in anticipation of more new private providers entering the sector, modern universities would have no other choice but to adapt their orientation. They could negate this emerging threat or ignore it at their own peril, therefore threatening their very existence as independent institutions. This notion of inevitability amongst senior managers was once again displayed, as a response to the reduction in government funding of higher education. This loss of funding, a senior manager felt had forced the hand of modern universities, to replace this with commercial income whilst also needing to operate prudently. This need had therefore meant that universities had to be now run like businesses. This senior manager stated:

*Well universities do have to be commercial, obviously our government funding is being reduced dramatically and we are therefore dependent on other sources of income but also we have to manage any funding we do get from government policies or other public funding bodies to ensure that we are providing an efficient and effective service, again that requires a commercial type of practice and we have got to run the university as a business.*

(Senior manager 4, MU)

This sense of inevitability of universities having to behave like businesses, was seen as problematic by some senior managers. This was because they felt it might alter fundamental relationship between the student and the institution. As one concerned senior manager had stated:

*I think that is quite a dangerous notion, which came before the question about universities as businesses, it's hard to answer the question about universities as businesses without referring to this notion of students as customers*

(Senior manager 14, MU)

This senior manager appeared to be particularly concerned that if universities were to embrace fully the idea of being a businesses, it might subsequently lead to students feeling that they are purchasing a degree, instead of realising the opportunity to earn it. This posed a threat that buying into the language of being a business, and creating expectations amongst student as customers may send the wrong signal. This could cause further confusion about the identity of a university in the future.

One senior manager on the other hand appeared to endorse the change in government policy as a positive development. They thought that the reforms presented an opportunity for universities, to bring a new emphasis and a sharper focus to all aspects of the business of a university. As one senior manager stated:

*I think with the introduction of higher fees and the potential of an unrestricted market in future years that has made universities wake up to what they think traditional business concerns of competition around price, value for money the money positioning the kind of marketing issues and the issues that are called to business in terms of how are we different to everyone else, the difference for the university sector currently UCAS is a great supplier of a pile of undergraduate*

*students, it's built in the culture of the country almost you do your A levels then you are funnelled towards university*

(Senior manager 5, MU)

The above quote seems to be pointing towards a realisation that universities might have displayed a tendency to be reactive. This instead of being proactive in anticipating a further acceleration of an ongoing trend. The marketisation of English higher education had been a government policy since the 1980s. One senior manager however appeared to take a very clear and proactive stance, in response to the question of universities as businesses. They stated categorically:

*I am absolutely clear about that, we are a business we sell services to people, they buy those services and they expect high quality and we provide solutions to meet their needs, in the same way other companies do the same we are very much a business.*

(Senior manager 9, MU)

They on the surface appear adamant in their stance, that their university was a business in its intent and its approach. They however go on to contradict themselves that this sense of being a business was only relative to other universities only. This could be perceived to be a contained and cautious response, stopping short of saying that they were a business in every sense. They went on to state:

*I would say there are some other particular universities that would believe the mission and the ethos that they have would mean that they do not see themselves as a business, and that is fine in a diverse sector.*

(Senior manager 9, MU)

The initial reaction of senior managers from modern universities, suggested that they had reluctantly accepted the inevitability of their universities now having to behave increasingly like businesses. They however appeared to be in a reactive mode, that they now had to address business oriented concerns. This was to ensure that their respective institutions were increasingly effective and efficient. This was in response rather than in anticipation, of the ongoing market reforms to English higher education, which had been in play for over the last two decades. Some were opposed to universities internalising the idea of being a

business, as this would create damaging expectations amongst students. This could wrongly portray that as customers they would be able purchase and award rather than earning it. Those adamant that their university was a business were also cautious in clarifying that they were not a business in a full-fledged commercial sense, but only in comparison to those particular universities who do not see themselves as businesses. Overall this pointed towards the notion of an identity crisis amongst modern universities, being unclear about who they fundamentally are, as the higher education landscape becomes increasingly marketised.

#### 4.3.2 A sense of particularity amongst older universities

An analysis of responses by senior managers interviewed from older universities, when asked whether universities were becoming like businesses, had revealed a focus on particularity. This emphasis upon particularity suggested that older universities were keen to convey their identity as very particular type of businesses. They stressed that they were an institution of education first and a business second. A strong perception of what was right and wrong was also detected from the responses. It was picked up that it would be wrong if they were to be a business first which was primarily focused on boosting their profits. They also felt that it would therefore be appropriate to prioritise the academic case over of the business case, when it came to simply prioritising the allocation of resource. They were keen to emphasise what they were about, as one senior manager had stated:

*One of the things I often say when I am doing my degree ceremony speech I give the figures I have just given you 23,000 students 4,000 staff turnover 260 million and I say so we are a business we are a big business but we have higher education at the very heart.*

(Senior manager 2, OU)

They had wanted to stress their particularity through their history, heritage and the core founding values of their respective institutions. They had however acknowledged that in these changing times universities would require to demonstrate business acumen. This would be significant in enabling them to deliver their core purpose primarily rooted in education and research. There was a much stronger desire to justify their identity compared with modern

universities, by emphasising what universities were about. This came through, in senior managers trying to communicate a strong desire of re-investing a surplus being a good thing, whilst profit making by universities was considered to be a bad thing. This emphasis on universities having a clear identity came through when one senior manager stated:

*I will serve very strongly that universities are not businesses and should not be businesses, if one associates the word business with a conventional picture of a business it is there to maximise return to shareholders – maximise financial return that is. I have no interest what so ever in creating a finance circus for this university other than to feed it back into the development of teaching programmes facilities, research facilities and so on. There was a big cultural difference in my view between the fundamental purposes of a university and the fundamental purpose of the business.*

(Senior manager 11, OU)

Although accepting that they were behaving like a business, it could be seen as an attempt to downplay this. This seems to be done by emphasis being placed that universities were fundamentally different in their ethos to that of a commercial business. Older universities also appeared to be more resistant by suggesting that they were already business savvy, hence they had no intention to be compliant with the government vision to see them as public limited companies. This sense of particularity had also led to some senior managers being concerned about the policy narrative, which had increasingly become very explicit in stating that successful universities would have to inevitably adopt the language of a business. As one senior manager had stated:

*It's weird the language, I guess the answer is yes first of all there is no equivocation there but it is interesting that we still use the word 'surplus' and not 'profit', we are not here to make a profit, we make a surplus and that surplus is actually re-invested, but yes although the – who owns the university? The answer is – that is a difficult one.*

(Senior manager 3, OU)

Some senior managers from older universities were concerned about what the right and wrong language was when it came to selling the idea of being a business to stakeholders. They felt that using business terminology, could lead to resistance from the academic community,

due to its strong opposition for the idea of universities as commercial organisations. As one senior manager stated:

*Language really matters I will tell you why it really matters - people don't like to talk about marketing they don't like to talk about customer they don't like to talk about brand it is not the concept they resist it is the language, they say 'that is the language for a business it is not right for a university,' some universities can use it, I can't use it here, I don't care that I can't use it there is this word student and you pour everything you mean into the word student by the concept of student*

(Senior manager 5, OU)

The desire to resist business speak is however in contrast to the acknowledgement of a reality that the higher education policy landscape had been evolving over the last twenty years. This reality could therefore no longer be ignored, as older universities would not be immune from the impact of the ongoing marketisation. They would therefore have to pay more attention to business practice. This would be despite the stance that a university which is purely focused on the bottom line risked going in a completely different direction. As one senior manager stated:

*It has actually always been like that, there is an assertion that's what universities have become but I think universities have always operated in that way but particularly since maybe the 1980's onwards where they have been put in an even more competitive environment by government and government policy, so perspectives on choice and markets.*

(Senior manager 12, OU)

There was, overall, a strong resistance from older universities because of their beliefs about what was right and wrong or what was good and bad. This led to the assertion amongst older universities that they were a very particular type of business. They were different in their culture, purpose and ethos to a commercial business, and therefore it would be inappropriate to fully embrace corporate language. If adopted fully this language could alienate rather than engage the academic community because of its non-commercial orientation. The need for business acumen was acknowledged, as older universities agreed that education was a business, despite having a particular set of values. They were hence very keen to be the gatekeepers, and defenders of traditional values and the identity of

higher education. It could, therefore, be concluded that traditional universities felt much more in control of their own destiny. They felt more in a position to resist the policy reforms. It could also be argued that older universities might risk being complacent by hanging on to their pasts. This was in stark comparison to the sense of inevitability and resignation displayed by modern universities of having to become like businesses. This signals an identity justification within older universities to defend what they fundamentally were.

#### 4.3.3 A need for clarification amongst private universities

The need for wanting to clarify their institutions' identity was felt by senior managers interviewed from private universities, when asked whether universities were becoming like businesses. They were keen to clarify they were trying to challenge the status quo amongst incumbent English universities. They would do this by placing a clear focus on taking much more professional approach to running a higher education business. They also seemed keen to justify that they would not put profits before education, however their approach to delivering educational outcomes, would be based on extensive customer research feedback. This they suggested, was in contrast to the approach taken by traditional universities, whose values propositions lacked a clear focus. One senior manager when asked whether universities were becoming like businesses stated:

*That's probably a good thing. It depends on what you want to take from what that means when somebody says it is like a business what I take that to mean is that it is professionalising in its approach in the service it offers to a customer, so others may take a different view that its maximising profit for the management team or the shareholders or whatever but I don't look at it like that*

(Senior Manager 1, PU)

Although being a private for profit provider, they wanted to clarify that although universities becoming like businesses was a positive development for demanding students, they were personally not aligned to maximising profit for the shareholders. This could suggest a sense of being outsiders, who were trying to break into a very territorial sector, with an anti-profit culture, and an established hierarchy. They were almost seeking approval from the

incumbents, that they would enhance rather than diminish the richness of the sector, by bringing in a different approach to running a higher education business.

Another senior manager from a private university was much more direct, at pointing of the state of play amongst the public universities. He asserted that public universities were inefficient at managing their resources, as they were managed by academics rather than by professional administrators. His argument was that academics were not trained or inclined in running a complex business. He asserted:

*It has always been a business just not very well managed and that's the problem for UK HE at the moment, a lot of institutions are appallingly badly managed, you can point to not just the post 92 sector but their examples in the Russell Group – money is poured away, if they were a real business they would have gone to the wall.*

(Senior manager 2, PU)

This appears to suggest a 'them and us' mentality, where it could be implied that private institutions are, inevitably, better managed in comparison to public universities because they are run as businesses. The sense of clarification appeared to be consistent with the views expressed by another senior manager from a private university. They pointed out that universities had always been like businesses, due to their historical origins of training the professions. They therefore clarified that universities:

*Are essentially charitable businesses they are not in the business of making profit for shareholders but they are in the business of producing surplus that pay for the salaries of the staff – so they start off as businesses and therefore the question becomes – at what point did universities cease to be viewed as businesses?*

(Senior Manager 3, PU)

This senior manager provides a historical justification for the belief that universities were once set up as businesses, however they were charitable, not profit making in their purpose. The consensus amongst senior managers of private universities, suggests that in the emerging market environment, successful universities will be those that operate like a professional businesses. It also seems apparent that private providers are seeking to emphasise their approach as being more organised and professional, in providing a better



overall experience compared to that provided by public universities. Overall, this signals an identity justification within private universities that they are professionally motivated rather than profitability driven, in their quest to break into the existing glass ceiling of a hierarchical arrangement.

#### 4.3.4 Government encouragement for sustainability

The policy analysts when asked whether universities were increasingly becoming like business, felt that universities were by and large responding to government encouragement, for universities to become more sustainable and competitive. The government was therefore acting as a consumer champion, on behalf of the students by creating conditions and introducing mechanisms, which would shift the balance of power towards the student as consumer. As one policy analyst revealed:

*That is true to a very large extent and is the result of a number of factors, one of which is encouragement from government for universities to seem more competitive, and the introduction of student loans began that process but there are also a number of other kinds of mechanisms that government use to try and encourage universities to become more competitive both between themselves but also cross sectors in recent years with FE colleges the government pushed to expand the provision of HE in colleges.*

(Policy analyst 1)

It was also perceived by some policy analysts that a shift in the balance of power towards students, was indicative of government's suspicion that universities were neither efficient nor effective, in utilising the extra government funding received in the past. According to policy analysts the government's suspicion was that universities had perhaps not efficiently used funding in delivering a better student experience, and that there was a lack of transparency about where all the extra money had been spent. This policy analyst who was an advisor to the government at the time, hence revealed that the policy reforms were designed to cut government spending on higher education, but also to incentivise universities to become more responsive to student needs. A clear mistrust on part of the government of universities is hence revealed. As the policy analyst states:

*I think our view is first of all when Labour last tripled tuition fees – well the legislation went through in 2004 for home undergraduates and took effect from 2006, our view, a lot of extra money because that was additional money a lot of money was thrown at universities as a result, but it is not clear what incentives are in place that that delivered a better student experience. I think we would like transparency with what goes on in a university, but we have no problem with cross subsidies from part of a university to another but as long as they are transparent about what goes on.*

(Policy analyst 6)

The policy analysts broadly agreed that universities needed to consider more sustainable business models, which would make them less generic and more distinctive from each other. Some policy analysts were concerned about university leaders increasingly having to spend more and more time, in thinking of their institutions as businesses and worrying about where funding was going to come from. This they felt might result in universities losing sight of their fundamental purpose, to educate students and do research. The side effects of the intensified marketisation leading to a shift in the role of universities, were illustrated when one policy analyst stated:

*Yes, I think that universities contribute to a knowledge economy, so previously the model has been that universities are part of a knowledge economy but in a sense servicing the knowledge economy and their own form and character has been in a sense independent of the corporate economy but increasingly I think they are being absorbed into the corporate economy and being asked to take on some of the characteristics of other corporations that concludes of taking on the characteristics of for profit organisations and at least into partnership with for profit organisations, so increasingly a utilitarian view of knowledge rather than viewing knowledge as if you like part of cultural reproduction or a public value and so on, so yes I think the most recent changes in higher education are about attenuating the corporate model and dissolving these special characteristics of universities to make them more like any other business corporation.*

(Policy analyst 8)

Policy analysts believed that government policy was encouraging the creation of a more competitive environment, by the introduction of various market mechanisms. There is, however, a concern amongst policy analysts that in the quest to capitalise on market incentives, by thinking of themselves as businesses, universities could lose sight of their fundamental purpose. Overall this signals a new identity shaping of universities, facilitated

by the desire of government policy to create a competitive market environment. This leaves public universities at a crossroads, from where they will need to decide to what extent they want to travel down the road of becoming a business.

In summary when posed the question of whether universities were becoming like businesses, the responses of senior managers and policy analysts reveal some complex patterns. The modern universities felt that it had become inevitable for them to behave like businesses, in response to which they would seek to position themselves as the business and community champions within their regions. On the other hand, the older universities saw themselves as a particular type of business. They were hence positioning themselves as champions of the purpose and values of education. The private universities were keen to clarify that their main motives was not profit making. They were positioning themselves as the champions of professionalism and efficiency, with which they deliver their value proposition. The policy analysts concluded that the government wanted to incentivise universities, for them to operate sustainably in a competitive market environment. The government had hence positioned itself as a consumer champion of the students' interests, in being demanding of universities on behalf of them. It could be concluded that universities and the government now simply wanted to clarify their purpose and fully configure their identities, in response to the shifts being experienced across the English higher education landscape.

#### 4.4 Sub themes from across the sample

The responses to the same question of universities as businesses were then analysed across the informant sample of senior managers of modern, older, private universities and policy analysts. This revealed the three sub-themes of the funding shift, the cultural shift and the values dilemma. Each are discussed next in turn:

#### 4.4.1 The funding shift

A sub-theme that emerged was that the funding environment in which universities operate has shifted in light of the new fees regime, and the government desire to bring in new private providers to increase capacity. The new funding arrangements of undergraduate higher education to be largely funded by student fees, have been characterised by some as revolutionary. They anticipate the deregulation of the English higher education sector, which would encourage an influx of a new breed of for-profit providers to enter the emerging market. This they suspect is an extraordinary attempt by the government, not only to shift the cost to students whilst hoping that, increased supply would lower the cost of providing a degree. As this policy analyst contended:

*Absolutely I think this is revolutionary shift, it's true that from the period of Thatcher, the pressure under Thatcher, started with universities to get external income particularly research, but the basic funding model in her time did not change that much, now it has that is what is different*

(Policy analyst 1)

Although the funding shift is described as revolutionary it could be argued by others that, this assertion is an exaggeration. They would posit that marketisation has been the direction of travel since 1979, when the Conservative Thatcher government came to power. It is since then that government funding per student has been continuously reduced, and the onus has been placed on universities to replace this loss of income with alternative sources, such as commercial income and student fees. The funding reforms since 2010 therefore could be characterised as, evolutionary rather than revolutionary in nature. As one policy analyst observed:

*I think the reality is that most people were in that mind-set anyway. I think since 2010 that has intensified but none the less I think most people would have taken a description of a pre dated Browne.*

(Policy analyst 2)

There was a consensus amongst senior managers that whether the funding shift was described as radical or incremental, the reality was that undergraduate provision in English universities, would be funded by student fees in the future. This would mean that

marketisation would now be a reality, which would make universities think about the sustainability of their current business models. As one senior manager at the time describing the shift stated:

*We talk about the marketisation of higher education and I think probably now we are closer to it than we have ever been. It's been rhetoric for a long time but I think it is actually happening now, because there is no government money at undergraduate level they withdrew 80% of the funding there is pockets of specialists funding but most institutions at undergraduate level at teaching level are funded by their students.*

(Senior Manager 5, OU)

It was also felt that the funding mind-set of English universities would also be examined as a consequence of the new funding arrangements. It was suggested that universities would have to take a clear stance, as to how they respond to the new policy arrangements where universities would no longer be funded directly by the government. There was a feeling that most universities were in a wait and see mind-set, which discouraged bold decision making instead a complacent and risk averse mentality was prevalent. As one policy analyst claimed:

*So there definitely is not enough competition yet because demand exceeds supply the danger is that they are wasting this time with no competition by messing around and worrying about policy changes but the biggest problem they have got in their heads is they are still agents of the state so they spend a lot of time worrying about what the policy changes are – they should spend much less time worry about policies – the policy direction overall is clear. If only 3% of the population go to university no body argues if it should be a pot or not because it is not a big enough sum of money, if 50% or 40% of the top of the population go to university it is very hard to argue that the 50% can go to university and should be writing cheques for the top 50% so I don't see there is any way of going back.*

(Policy analyst 4)

It can be concluded that whether perceived as revolutionary or evolutionary, the new funding arrangements of undergraduate higher education to be almost entirely funded by student fees, was a clear policy direction of travel. This would mean that universities would

need to respond by clearly re-examining, the impact of these new funding arrangements upon institutional cultures and their fundamental relationships with students.

#### 4.4.2 The cultural shift

The funding shift, it is suggested, would fundamentally change the relationship between the university and the student. Whether this shift in relationship is a positive or negative development would remain to be seen. The sub theme of cultural shift within English universities is explained as an implication of the funding shift, which could recast the university-student relationship. A senior manager explain this relational change by stating:

*Students almost pay all of the costs and really teaching funding does not exist anymore, its only research funding we get from government so that relationship with students is shifting because they are paying significantly higher fees*

(Senior manager 5, OU)

This seems to suggest a reluctant acceptance that the power balance had shifted in favour of the students. It would therefore become imminent that this is likely to lead to an increase in their expectations of universities. This rise in expectations might be seen as an intended outcome of government policy. It had been envisaged this would challenge universities, deemed as non-responsive to student needs. As one senior manager stated:

*There is evidence that suggests the students are becoming more picky customers, so we at open days we are getting more questions, we are getting more demand for information from students, more demand from the parents of students and they are also making their decisions later in the summer, so we think there is more information gathering by students.*

(Senior manager 8, OU)

This relational change could be indirectly linked to the state of the economy, where the need to reduce the budget deficit had meant that government spending on higher education had to be curtailed further. This could imply that this was the primary reason for shifting the cost of higher education to the student, hence increasing university responsiveness was the justification in doing so. The implications of this relational change was welcomed as an opportunity to enhance student satisfaction. A senior manager explained:

*Universities are not getting the money regardless they are not getting the money on how many students they have, they will be getting the money on how satisfied the students are and students will vote with their feet if they are going to pay directly, it's not that the price of education has changed it is that the cost is now with the consumer and that's really the big change.*

(Senior manager 7, MU)

It also seems to be implicit that universities in the past have not really been that good at student satisfaction. This funding shift might however make the student-tutor relationship more direct and transactional. It is not yet clear as to what extends the expectations of the student as customer will change. This some argued might lead to unwelcome expectations, of students purchasing an award rather than the opportunity to achieve an award. This shift where students expect to be purchasing a degree could change the way they interact with the tutors. It is a concern that this might undermine the traditional relationship of trust between the student and tutor. As one policy analyst articulates this:

*Often and that is fine why shouldn't they but often in a really unreasonable way in a sense, I need to get this grade not that I performed well the consequences for me and the pressure on lecturers to go along with grade inflation, and there is some evidence that is happening, so I think the changes have been very destructive*

(Policy analyst 1)

This relational change is seen as the inevitable knock-on outcome of the environmental shift, which could make universities more responsive to student needs. There was also the political expediency of shifting the cost of higher education from the public purse on to individual students, in a challenging economic environment. Some saw the relational shift as an opportunity for universities to listen more to the student voice. Some others warned of a problematic rise in expectations, which could turn the student university relationship into a mere transaction, where the student pays to buy rather than earn an award. To what extent this relational changes transpires in reality, only time will tell. The funding shift that is seen as the cause of the relational change, could lead to a cultural shift for English universities. There was already an impression that the profile of English universities had been growing over the last few years which had made them the key economic players in their regions. This was having

an increasing impact within universities, they had begun to culturally operate like businesses. This growth in profile is referred to as a huge increase in economic footprint of English universities. As one policy analyst explained:

*The economic footprint of a university has grown and grown in recent years, partly alongside the demand for higher education because of the additional funding that has gone into HE but none the less it has grown and become more complex. So I just think that anyone who has to run a complex 60, 70 or 80 million pound organisation is going to use the words business-like, they are going to have HR they are going to have investments, they are going to have partnerships with other organisations public or private, voluntary, they are going to operate on different companies they are going to have marketing strategies, you know to all intents and purposes it's going to feel corporate*

(Policy analyst 2)

This seems to suggest that universities culturally operating like businesses had already been happening, further intensifying with the environmental shift and relational change. There was also the sense that the mind-set of universities had also been shifting over a period of time. One senior manager captures this ongoing shift in the cultural mind-set, by universities having to transition from being government protected in the past to now being responsible for their own survival. He illustrated:

*I think that is true but I think that is because they were largely protected from the worst challenges of the external market. There was a business writer in the 1970's called Carlson who wrote about the differences of wild and domesticated, he talked about wild organisations and domesticated organisations – and he was saying then in the 1970's that most public sector organisations whether it was schools or universities or hospitals operated in a domesticated environment in a sense that they operated in a way that their – if they made a loss or they weren't terribly efficient they didn't much worry about it because government would support them and sustain them almost whatever, but even the most western economies even those public sector organisations subsequently have to operate in a way in which they clearly define financial parameters and therefore ought to operate in a much more business like way, prior to operating to the needs of their customers and being responsive to markets, and so they move into what Carlson would describe as wild organisations – where their survival was dependent on how well they operated but ultimately if a school a university or a hospital couldn't operate they would be closed down, or merge or something happen to them.*

(Senior manager 12, OU)



It is being suggested that the success or failure of institutions will in the future depend on, how they respond to the challenges of operating in an even wilder environment. Would universities be allowed to fail, or will the government bail them out will also remain to be seen. On the one hand the government is trying to engineer this wilder environment, whilst constraining the creation of such an environment, which could be seen as a contradiction. As one senior manager captured this contradiction:

*I think there is a suspicion clearly that they think universities are not so efficient as they could be and clearly the government sees the introduction of market forces and a free market as one way to deal with that, but one has to say it's a pretty strange free market the government is about to impose on us, one in which you are not allowed to set the price, you set a price then you are told that is too expensive, you are not allowed to recruit, sell as many products as you chose, you got the government interfering increasingly over student number controls, so less and less flexibility for some HEI's there – so it's a pretty odd free market that the government thinks it is introducing at the minute.*

(Senior manager 1, OU)

This suggests that the rhetoric of creating a competitive culture, is considered to be at odds with a challenge of controlling the student loan book. It is therefore a concern that government restrictions could limit the opportunity for universities to compete freely. The market incentives for cultural change are perceived to be constrained by government caps, making for an unusual business model. This had hence placed some major business decisions regarding expansion and price outside the control of the universities. It was also felt that the restrictions and the funding shift had both combined in putting universities under increasing pressure, to culturally adopt more financially driven business practices. As one senior manager suggested:

*I think it is about shift in university culture about the cost centres faculty, schools, colleges whatever we call them – about them being aware of their markets, their market internationally, domestically, corporately and being able to place themselves in that market whatever it might be as opposed to where the university may place itself in the market.*

(Senior manager 12, OU)

In conclusion it can be said that the funding shift faced by English universities, would have a knock on effect on the nature of relationship, between the university and the student

customer. This in turn will impact upon the culture of how universities operating as much more financially driven organisations. This could be despite the government regulation around what universities can charge, and how much they can grow. The cultural changes required to become financially oriented and market savvy, could create a tension with the fundamental purpose and values of English universities, discussed in the next section.

#### 4.4.3 The values dilemma

The funding and cultural shifts discussed above are challenging the traditional values, core purpose and the original missions of English universities. This has led to a sub-theme of the values dilemma. This pertains to what come first, the traditional values of higher education based around pushing the boundaries of knowledge, or the business values which promote the idea of university as being no different to any commercial organisation.

Some interviewed argued that the values of higher education should always come before the business values, as the primary purpose any university was to be educationally oriented and, provide a space to debate and generate new ideas. The means of funding this primary purpose was therefore important but, had to be secondary in nature. As one policy analyst emphasised:

*I think they will have to be more efficient they will have to – I don't see that makes them into a business they have to behave in ways like businesses have to behave, in order to be attractive, efficient to be yeah and to raise income but that's ancillary and secondary to their primary purpose and will remain secondary to their primary purpose, which is to educate students and to do research and do the other things that universities do, and if they have to raise money well it's a means to an end it doesn't replace the end.*

(Policy analyst 3)

The proponents of values first also assert that universities were not designed to make a profit, but to return a surplus which had to invest and reinvest, in delivering the educational missions. They opposed the idea of universities adopting the characteristics of profit making corporations. This they fear would damage the traditional values of higher education,

primarily based around the idea of scholarship, which would benefit the wider society. As one policy analyst confirmed:

*Because I think the purpose of a university is to serve their students to transmit knowledge and to discover new knowledge and I think by focusing on their education or research mission they serve society in the end they serve society better than seeing themselves as businesses that will only survive if they get an edge in the market, if they are profitable, if they can extract as much fee as possible from the students, if they are prepared to sell their academic souls in order to take research money from wherever or whatever the purpose I think becomes corrupting.*

(Policy analyst 1)

The supporters of the values first and business second argue, that universities have complex objectives which go beyond profits. This is contrary to the instrumental approach of universities being narrowly tasked with preparing graduates for employment. That they were also about imbibing the values of citizenship. The funding and cultural shift of presenting higher education as an individual investment, could jeopardise the ideas of education for citizenship and participation in cultural life. They also argue the importance of using the right language, and avoid the use of business terminology altogether. It is suggested the use of careful language signifies that universities were special cases, due to non-commercial nature of the academic community. The emphasis on using careful language seem to suggest that values, purpose and missions were like a 'holy grail' that must not be challenged. As one senior manager clarified:

*People don't like the word brand; we have a very powerful brand – very distinctive, people don't like the word brand because it resonates business and people say 'we are not a business we are a university,' so we use the word reputation, people get the word reputation and you can pour into that word everything I mean about the concept of brand.*

(Senior manager 5, OU)

Any university has finite resources, therefore it was posited that the business side is as important, if not more as the traditional purpose. There was however a keenness to clarify that universities were a business, but with a particular focus. In light of the funding and

cultural shifts, business acumen would therefore become crucial in delivering the traditional missions of universities. As one senior manager states:

*One of the things I often say when I am doing my degree ceremony speech I give the figures I have just given you 23,000 students 4,000 staff turnover 260 million and I say so we are a business we are a big business but we have higher education at the very heart, so it's two sets of values if it is true that one can divide them into two sets, you have the importance of education and higher education but you also have to have business acumen.*

(Senior manager 2, OU)

The extent of business acumen applied, may vary from university to university, based upon how they decide to balance this values dilemma. One senior manager went as far as saying that they had deliberately changed the ethos and values of their university. This was to align with needs of the local and regional economy. They clarified this as the repositioning of their university as a business. This they argued was justifiable in a diverse sector, and apply variably to different universities. They stated:

*I am absolutely clear, I am absolutely clear about that, we are a business we sell services to people, they buy those services and they expect high quality and we provide solutions to meet their needs, in the same way other companies do the same we are very much a business.*

(Senior manager 9, MU)

Some argued that the overemphasis on using the right language, the sensitivity about what is right and wrong, might actually be constraining universities into adopting a defensive mind-set. A denial around the speed of response, might also leading to a lack of clarity about their institutional objectives in a fast changing environment. It could be argued that the obsession to protect and secure their traditional identities might also lure universities into a false sense of security. As one policy analyst found:

*they worry a lot about reputation and they are right to worry about reputation – they don't really know what they mean by reputation they don't ask the customers or consumers or the research councils on the other hands or students what it is they are really buying in reputation so they have an impressionistic sense from talking to students all the time but they don't have a good quantitative sense and that's really problematic*

(Policy analyst 4)

Some argued that universities might therefore need to free themselves from this values dilemma. They suggest that universities are not different to any other business, although they do not make a profit. This applied to a university would mean that instead of profits, if they did not make a surplus they would no longer be able to survive. It could hence be argued that the difference between a surplus and profit was a prevailing mind-set, which universities might need to shed. This is because they would increasingly be competing with the more entrepreneurial alternative providers, which the government envisages would enter the English higher education sector. As one senior manager claimed:

*The purpose of delivering the primary objectives of the organisation around teaching and research but also to generate the income you need to invest further into teaching and research and so on. To me that is no different than any organisation, a business that is selling baked beans the purpose of that business is to manufacture baked beans and sell them as effective as you can to generate a surplus to invest in the business and in return for that business to generate a surplus and return to the stake hold, shareholders, but the way the organisation operates is all about efficiency and doing the right things in an effective way so I don't see that there are any differences in the way businesses and universities operate.*

(Senior manager 12, OU)

In conclusion it can be said that, the dilemma of whether universities should put educational or business values first, will come under increasing pressure as the higher education landscape reforms itself. To what extent would different universities be able to, or not being in a position to resist, their redefining and consequent repositioning as businesses would remain to be seen.

#### 4.5 The main theme of business like

In response to whether universities were increasingly becoming like businesses, the responses of senior managers and policy analysts revealed contrasting patterns about their perceived identities. The modern universities would find it inevitable to behave like businesses, by positioning themselves as regional business and community champions. The older universities sought to be a particular type of business, in seeking to champion the purposes and values of education. The private universities felt important to clarify they

were more than just profit making, as champions of professionalism. The policy analysts highlighted government desire for creating competitive market conditions, as a consumer champion of student interests, striving to make universities more responsive on their behalf.

There was a quest to justify their institutional identities, in response to the policy shifts that were being experienced, across the English higher education landscape. The funding shift to student fees would redefine the fundamental nature of the university-student relationship, as the first sub-theme that emerged. This would in turn cause a cultural shift, as a second sub-theme that emerged, anticipating the need for increased financial and market orientation for English universities. This is predicted to create a values dilemma as the third sub-theme which emerged, of whether universities should put educational or business values first, in response to the funding shift. How would different universities respond, and reposition in this 'brave new world' they were envisaged to be entering?

#### 4.5.1 The interpretation of business-like by modern universities

The common consensus and the main theme that emerged in response was that English universities would have to become more business-like and not businesses in response to environmental shifts and the value dilemma, they were faced with. As one senior manager from a modern university stated:

*I can remember Graham our deputy director of resources saying to me in a meeting that universities are not businesses but they are expected to be run in a business like way, I remember that lots of times and I looked at a number of businesses and saw how badly they were run, it was interesting in those days we didn't dare say that a university was a business*

(Senior manager 8, MU)

This reference to the past when no one dared to call a university a business, could reflect a reluctance or, even a historic sense of guilt in drawing such parallels. The reluctance to use business speak was prominent, despite a recognition of the policy shift that was sweeping the English higher education landscape. The dilemma of what universities should or should not

identify themselves as, was also prevalent amongst older universities too. As one senior manager from an older stated:

*I think the evidence is that the government feels it can't afford it and therefore if people want the advantages of a university education they should invest themselves so in that sense, I did think universities are becoming much more business-like but whether they would regard themselves as businesses is another issue.*

(Senior manager 3, OU)

It could be argued that senior managers from modern and traditional universities were much more content in recognising the need for their universities to become more 'business-like'. They on the whole appeared less open and uncomfortable at the idea, to become full-fledged businesses. The urgency to be being business-like in the new market facing higher education landscape, was seen as imminent by a senior manager from a private university. He stated:

*You see those universities and you think have they got their proposition right and if we are now in the world of a market and universities operating like businesses then the consequences of not being business like means you should go out of business.*

(Senior manager 1, PU)

It could be argued that the above senior manager could be implicitly pointing to a prevailing sense of denial or complacency, in the attitudes of public universities. They also appeared to be indicating that as a more market oriented private provider, their value proposition is right. They could hence subtly be suggesting that, some public universities might not have got their propositions right. A policy analyst hence asserted that public universities would need to become more commercial in their approach, whilst acknowledging that they cannot become like regular businesses. He claimed:

*Universities need to be more business-like they can't become just regular businesses the government regulates them in a way that they can't do that, they can only turn themselves into public businesses if they exit the public system most of them don't want to or are able to do that, so we are speaking about universities being different in different ways is also true although there is something the whole sector needs to think about.*

(Policy analyst 4)

In summary there seemed to be a prevailing apprehension in using the term business, whilst recognising the need for universities to be business-like. Was using the term business-like simply a case of semantics, or something fundamentally different to being a business? How was this term interpreted?

Senior managers from modern universities interpreted being 'business-like' as primarily needing to plan, monitor, control, and make promises they could keep, whilst being mindful about the satisfaction of their students and other stakeholders. As one senior manager from a modern university explained:

*if you take business like to mean deploying resources effectively looking for academic investments that show their best return, managing their finances in an appropriate manner to facilitate the work, then I think universities should be businesses like, and I think the evidence is increasingly that universities are trying to be business like. And those that do have good sound business principles will probably find themselves in a more robust sustainable position currently given the transition that we are in with the new fee regime.*

(Senior Manager 3, MU)

Their focus is very much on the effective deployment of resources and satisfaction of student customers, for any university to be sustainable in the future. Another senior manager from a modern university saw being business like as an opportunity to be more responsive and entrepreneurial, in shaping the future of their own future. They revealed:

*Well in terms well this week is clearing – how you respond to clearing, how you respond to admissions figures, how you work on targets, how you have to make sure key decisions are made you have a set period of time to do it so I think people will be more focussed on that I think you have got greater shift towards people being responsible for budgets rather than being sort of Soviet style block allocated your budget and told what to do with it, so I think we will see schools and deans of schools or faculties becoming more entrepreneurial be more enterprising and shaping the agenda themselves.*

(Senior manager 12, MU)

In summary the interpretation of business like amongst modern universities, was mainly about managing resources effectively and being student focused. They also saw it as an opportunity to be entrepreneurial by making the right academic investments, whose yield



would enable them to shape their own agenda. It could be argued that, these priorities resemble that of any business to large extent.

#### 4.5.2 The interpretation of business-like by older universities

According to one senior manager from an older university, operationally there was little difference between a business and a university. They observed:

*It's one of those phrases that catches lots of ideas isn't it, business-like to me means that you have a very clear view of what the organisation is trying to achieve and that you operate in way that is responsive to the client groups or the external functions that you are going to, that you operate financially and strategically in an efficient and effective way as you can, with the purpose of delivering the primary objectives of the organisation around teaching and research but also to generate the income you need to invest further into teaching and research and so on. To me that is no different than any organisation, a business that is selling baked beans the purpose of that business is to manufacture baked beans and sell them as effective as you can to generate a surplus to invest in the business and in return for that business to generate a surplus and return to the stake hold, shareholders, but the way the organisation operates is all about efficiency and doing the right things in an effective way so I don't see that there are any differences in the way businesses and universities operate.*

(Senior manager 12, OU)

This senior manager felt that there was a similarity between how universities and businesses operate. They also seem to echo modern universities' interpretation of business-like from the perspective of being efficient and effective, in terms of resource utilisation, and being responsive to student and other stakeholders. There however appears to be a subtle difference, which in the case being business-like, is seen more as a means to an end, to delivering the primary objectives of a university around teaching and research. The generation of any related or other income is therefore a means to invest in supporting these two objectives. The focus here is to remain true to the traditional purpose of being a university. As another manager from an older university explained:

*I think they are business like and need to act increasingly in business ways in terms of thinking of a more competitive market we have seen the case in the past of being clearer – better at understanding students' needs and responding to those needs respectively and generally being more efficient and effective organisations but I think universities are also very special cases as well as being*

*business like they are universities and their relationship with their customers, students is going to be much simpler than a transactional relationship because the experience we are providing is different and the nature of the academic community means we are a different kind of organisation that has implications for how it is managed and how we evaluate our performance and what we consider success to be. So I think we are not the same as a simple commercial organisation but there are aspects of how we operate that I think will become increasingly business like and there are things for us to learn I guess from the classic commercial sector.*

(Senior Manager 9, OU)

The above manager draws upon the particular nature of universities, by distinguishing them as not profit driven, academics as not commercially oriented, and the relationship with the students is not like a normal business transaction. The older universities hence appear to be placing an emphasis on the distinction between being a university and a business, as fundamentally having a different ethos. They recognise the need to operate as businesses in some aspects, however being business-like for the older universities was a means to an end, of investing income generated to deliver educational objectives.

#### 4.5.2 The interpretation of business-like by private universities

As modern universities strive to become more entrepreneurial, and older universities resolve to be authentic in their approaches to be business like, does this go far enough in competing with private providers, which include for-profit businesses. A senior manager from a private provider seems to have taken a very different take on what being 'business-like' means to them. They stated:

*So if you take a look at when do we run our programmes, we take quite extensive customer research feedback before we make decisions about where we run a programme and where we run it and what the content of that programme should be and it's down to the level of detail in what time of day should the programme run – we know the most popular time for a part time student to attend in London is the closer to a Monday as you can get, the further away from a Monday you are the least popular it is – and that's through a lot of research, now I don't say other universities do that as well and there are many universities that don't they allow the departments to make the decisions, well a factual base for it, but if you have got that level of discipline in a way that you organise yourself then obviously you are looking at what the customer wants and for us the academic freedom comes in employing faculty who are professionally relevant in their subject*

*matter, who want to make their subject matter even more relevant to the needs of the practising professional if you like, so for me in Law it wasn't so much about just leaving it at the academic knowledge of law it was about – well what do you do with it all this knowledge, as that's only a quarter of the story if you cannot now take that knowledge and do something with it what's the point.*

*So for me being more practically relevant in all the subjects that we do is the key and the very best universities obviously do that, there are some good examples out there and my experience was less Russell Group and more in the post 92 universities and there was some very good examples of how it was being relevant and practical so there is no surprise that our accounting degrees have a 329% increase in applicants – because it's really relevant it gets you so many exemptions from professional exams and it will inevitably get you a job, there is a need for some universities like that.*

(Senior Manager 1, PU)

There is a clear emphasis on being practical, relevant, and professional in approach, by having an offer which is tailored around delivering workplace oriented outcomes. It could also be argued that this evidence based approach based on what works and what does not, is aimed at a fairly niche and specialist market. It could also be seen as a focused, play it safe approach in only venturing into those disciplines which return the maximum yield. This appears to be fundamentally different from the ethos of most public universities, who pride themselves on having a much broader offer in terms of subject disciplines and courses.

#### 4.5.2 The interpretation of business-like by policy analysts

A policy analyst advises that public universities, as part of the business-like approach might want to use a more 'evidence-based' approach, instead of being generic and similar. They asserted:

*Universities are used to the fact that they compete against each other that is well internalised they like the idea of gentlemanly competition nonetheless if you ask them what they are doing some of them are very aggressive and some that are less aggressive but the idea that they compete against each other is well established, they are bad at marketing generally – they don't know how to spend the money, they don't spend enough on it in most cases, they worry a lot about reputation and they are right to worry about reputation – they don't really know what they mean by reputation they don't ask the customers or consumers or the research councils on the other hands or students what it is they are really buying in reputation so they have an impressionistic sense from talking to students all*

*the time but they don't have a good quantitative sense and that's really problematic, if you compare the quality of the data and the sophistication of the marketing approaches the for profit universities are years behind.*

(Policy analyst 4)

The above view aligns with the Government's that universities would need to become much more transparent in demonstrating how they would spend the fee income from students, than in the past. It is also suggested by policy analysts that universities had become much more business oriented, in their widening range of activities and income streams. They had increasingly become large and complex organisations, who would need to think about their future sustainability and positioning. This, they suggest would demand a clear value proposition that makes them distinctive from competitors, especially when the marketisation of English higher education is predicted to intensify.

#### 4.6 Summary

The overall consensus is that universities are not businesses, but increasingly need to be operating in a business-like manner. This is due to the push factors of the funding shift that would impact upon the student-university relationship, causing a cultural shift in how universities behave and operate. These push factors are being resisted on the grounds that universities have values and purposes which are fundamentally different to a commercial business. There was a general consensus that universities would have to be efficient and effective, as part of being business-like. There were also differences in the interpretation of business like, as for modern universities it meant having to become entrepreneurial. In the case of older universities it was a means to an end, to invest income generated in their authentic educational objectives. The private universities interpreted business-like as being practical, professional and relevant. The policy analysts accentuated the desire for universities to be transparent and sustainable with a clearly differentiated value proposition. Business-like could therefore be defined as an amalgamation of universities having to be efficient and effective, by being entrepreneurial, authentic, relevant and transparent in their approaches. This to what extent might rest on institutional positioning and priorities, as the government tries to create competitive market amongst English universities.

#### 4.7 Will there be a market in higher education?

The senior managers and policy analysts were then asked, whether the reforms to the English higher education policy were aimed at creating a fully functioning market. They were of the view that the Browne review and the government white paper, were definitely a manifestation of favouring a market based approach. They all believed that the government wanted to drive up competition by introducing market features such as funding routed via the student, and using the language of contestability between incumbents and new providers. Those interviewed were also of the view that the market ideology had not yet been translated into the creation of a pure market in an economic sense. They felt that the government had put in place a number of constraints such as the cap of fees and student number. The government was hence trying to both create and control, by shaping a market environment that, incentivised a competitive mind set amongst English universities.

#### 4.8. Sub themes by categorisation of informants

The responses to the above question were analysed by category' and interesting thematic differences were revealed in opinions between senior managers of modern, older and private universities, alongside reflections by policy analysts.

##### 4.8.1 A sense of suspicion amongst modern universities

The initial reaction of the senior managers interviewed from the modern universities was of cynicism and distrust, as they were suspicious that the government policy was very much taking an elitist view of higher education. They feared that it would be problematic, if the increased costs of going to university meant that it would now be an economic decision, rather than one based upon ability. They were also concerned that by encouraging alternative providers, the government wanted to increase competition at the bottom end of the market. They suspected that as a result the Government wished some of the modern universities to fail as a consequence of being deemed as unsustainable. As one senior manager asserted:

*I suspect government expects that it will be the new universities of the kind that most members of the government and most members of the conservative government would not have studied at that will go to the wall, it might be right that some will go, but there are an awful lot of universities that are not financially very stable, and it will be interesting to see what happens to them in a brave new world in which they are fully exposed to market forces, because they are not going to have the resources to fall back on to reposition themselves.*

(Senior manager 2, MU)

They were also suspicious of the implicit government perception that there were too many universities, and too many courses which were not delivering effective employment outcomes. The government instead wanted to replace or additionally bring in alternative providers, who would fulfil the government agenda of providing a cost effective higher education. They appeared to assume that by bringing in especially new for-profit providers, into the sector would damage the reputation of UK higher education. They were anticipating that these providers will concentrate of maximising profits, at cost of compromising academic standards, also the money will disappear out of the system into the pockets of shareholders. This apprehension that the government was trying to destabilise the new universities led to a perception of being conspired against amongst the senior managers of modern universities. As this senior manager suggested:

*I don't think it is an emerged market I think the market has been there all along, I think what they are trying to make it a more competitive market, whether the way they go about this is really going to achieve that is another matter, their focus on bringing in more private providers they keep talking about introducing FE but to be fair FE have been involved for many years working alongside HE institutions but they have been dependent on numbers through HE institutions now government want direct funding for FE to provide in HE, my concern about all this is the threat to quality of the higher education system in the UK, they are talking about private providers who have a low teaching experience the FE partners are not considering the role that research and the curriculum provides in higher education, so fundamentally they see it as introducing a more competitive market but I don't think they fully grasp how higher education works and what this means to the reputation of higher education in the UK.*

(Senior manager 4, MU)

This sentiment of vulnerability had created a mood of mistrust that, the government was trying to destabilise modern universities. It was as if there were thoughts of a grand conspiracy amongst the senior managers of modern universities. They were concerned that this was

based upon a fundamental lack of understanding of, the nature of these institutions. They also suspected an inherent belief amongst Conservative politicians that, the best students should only go to the best universities.

#### 4.8.2 A sense of constraint amongst older universities

In contrast the reaction of senior managers from the older universities was that of sheer frustration. They said that they would have preferred an unrestricted market which would have provided them with the opportunity to grow at the expense of others. They also felt that by placing restrictions on what universities could charge, was another constraint on their ability to command higher fees due to their reputation. They argued that an unrestricted market would have provided a much stronger likelihood for a much clearer differentiation between institutions, rather than everyone charging the same fees. The overall analysis was that senior managers from older universities felt much more comfortable of their advantageous position. They saw this as a missed opportunity of the extra income that could have been generated, in calling for a much stronger and free market. As one senior manager clarified:

*There is but I think the government actually restricted the market when they restricted the maximum fee that we charge to £9,000 the Brown Report was very clear, it's recommendation was that universities could charge up to £12,000 a year, if they had of done that I think it would have stretched out the prices people charged, making it £9,000 seemed for many institutions an attainable figure and from that point of view I think that introduced many universities charging £9,000.*

(Senior manager 2, OU)

It could be argued that the older universities were complacent in assuming that they would automatically benefit from an unrestricted market. They seemed to take it for granted that students would continue to choose them because of their historic reputation. These managers seemed to be more confident that some of the very elite universities were immune to market pressures, and could even choose to ignore them. A view that they could carry on doing whatever they had done in the past, and hence a market only existed for those with weaker reputations. As one senior manager explained:

*Is there a market? The government would like there to be more of a market than their actually is, there is a fascinating capacity to resist the government policy that goes in our sector, there are some institutions, Oxford and Cambridge who have been around for about 500 years – they have learnt how to resist the government of today, the powerful niche, they continue to do pretty much what they want to do and they can resist government policy.*

(Senior manager 5, OU)

An over-arching view amongst older universities was that, although government policy was attempting to create a market, this part of the sector could resist it. They felt less vulnerable, due to the substantial numbers of applications than places, which they had to select students from. There was an acknowledgment from some senior managers that reputable universities would be able to command a much higher fee, because of their status, and reputation. They recognised that this would put them out of reach for the less privileged, therefore increasing polarisation in society.

#### 4.8.3 A sense of being an outsider amongst private universities

The senior managers from both modern and older universities had suspected an amicable beneficial relationship between the government and private providers, due to their envisaged pivotal role in the realisation of creating a market. They had suggested that private providers would lower academic standards, in a quest for delivering a more profitable and low cost transactional model of higher education.

The reaction of senior managers from private universities was that they were not yet operating in the same market as the public universities. To them it appeared that the public universities were inside the market, whilst private universities were very much at the fringes. They felt that despite this public universities were not only cynical about the term ‘market’, but also in denial of it. According to them, the public universities were stuck in the old way of doing things and were far keener to debate whether there was a market or not then move on. They suggest that was instead of thinking about how to respond to the challenges and seize upon the opportunities, arising from the new market oriented policy landscape. As one senior manager contended:



*Absolutely, yeah, I know it's an emotive term for those involved in it, but for people looking from outside its difficult to understand what the objection is to calling it a market and my own personal belief is people start to take issue with the definition rather than actually accepting it and doing something about it, so they want to argue over whether it is a market and getting on and doing something and those are going to be the organisations are stuck in the old way of doing things – don't want to improve their courses, don't want to respond to students and ultimately they will no longer be the best breed I suspect.*

(Senior manager 1, PU)

The private university managers believed that public universities saw the market through a particular and mostly a negative lens. This was proving to be a barrier in them realising the expansion opportunities, if they worked with the additional funding available through venture capitalists. They challenged the negative notion of profiting prevalent amongst public universities, as long as private capital was invested alongside on realising their core missions of teaching and research. They were broadly in favour of a freer but regulated market, ensuring a level playing field for everyone. They suggested this by introducing market mechanisms such as graduate employment rates, rather than the notion of education for education's sake. They were perhaps implicitly suggesting that currently the market was overregulated, in protecting the incumbent public universities who were less transparent about demonstrating the value for money aspect.

#### 4.8.4 Market ideology justified by economic necessity

The policy analysts' view was that the government believed in the ideology of markets and competition, and therefore was trying to bring the demand and supply of higher education close to a commercial market. It wanted to introduce stronger market incentives by influencing the supply side using mechanisms such as, ease of entry for new providers and differential fees based on market positioning. The demand side is envisaged to sharpen student choice by making funding follow the student, and enhanced information provision. The coalition government intended utilising these market incentives to increase competitive pressures on English universities, to make them responsive whilst driving efficiencies. This was

allegedly necessitated by the need to control the student loan book, in a period of economic austerity. As one policy analyst revealed:

*The loan book would make your eyes water very quickly and that's the Treasury's concern. Willetts I think has an ideology that values competition in the market and that's not just in higher education that is in schools I have had some fantastic quotes from Willetts before the White Paper came out where he said – in this building in fact he gave this speech, whatever area of government policy he has worked in new providers coming in competing is a rising tide that lifts all the boats whether that is welfare providers, schools, health, so you can read across the whole areas of coalition policy see that kind of same.*

(Policy analyst 2)

The policy analysts also felt that due to the political compromise of the Conservatives having to appease their Liberal Democrat coalition partners, who were opposed to the idea of tuition fees, had led to a muddled and constrained market. The cap on fees and numbers introduced as a consequence some argued would have the opposite effect, of increasing taxpayer costs due to almost all universities charging the maximum fees. The implementation of complex student number controls would increase rather than decrease bureaucracy, thereby limiting the ideological creation of freer market in English higher education. As one policy analyst contended:

*It is a policy that is costing very much more than they had acknowledged and quite likely costs as much if not more than the policy that is being replaced, which was the students paying just the £3,000 to the £9,000 fee, and all for either muddled economics are for more like ideological gain to replace government spending on higher education than direct funding.*

(Policy analyst 3)

It was also critiqued that the financial elite had intruded upon the social space that the universities offered, which could deepen the social divisions with universities replicating a social hierarchy. They predicted the creation of a two tier gap within university system, which could comprise a small number of elite universities and the rest a consolidated number of higher education providers. The access to these institutions could be dictated by affordability rather than ability.

On the whole, the idea of a market in English higher education sector revealed deep division amongst different types of universities, and the chaos of coalition politics had led to an overall feeling of uncertainty and unpredictability. The modern universities sensed a government conspiracy to weaken them, older universities frustrated that they had been constrained from expanding, private universities amazed at the extent public universities were being sensitive, whilst the coalition government had seemingly pursued a muddled market ideology. These polarised perspectives on the nature of this emerging market in English higher education, led to the discovery of three key sub themes which are discussed next.

## 4.9 Sub themes from across the sample

The responses to the same question of an emerging market in higher education were then analysed across the informant sample of senior managers of modern, older, private universities and policy analysts. This revealed the three sub-themes of the rhetoric, reality and price. Each are discussed next in turn:

### 4.9.1 The sub-theme of rhetoric

The sub-theme of rhetoric pointed to the language used to justify the Browne review and the government white paper, which signalled a clear attempt to create a more competitive market in English higher education. Those interviewed for this study were of the view that it was because, the Conservatives in particular within the coalition government, had an ideological commitment to markets as a mechanism. This was therefore aligned with the view that some of the costs of going to university should be borne by the individuals, as that who benefits pays. It was suggested that part of the rhetoric was the aspiration in this language, of creating a contestable market between universities. It had talked about increasing diversity of provision by encouraging new providers into the sector. Some referred to such tone as a philosophical shift of letting competition decide who thrives, instead of government cooperation to ensure survival of any failing institutions. This was described as the abandonment of the partnership principle, which had historically existed between the

government and universities. This was suggested as a willingness on part of the government to let failing universities to exit the market. As one senior manager maintained:

*Without a shadow of a doubt the language that the current administration use to describe higher education and their aspirations is language which is taken from the market, they talk about a contestable market for the provision of higher education services, they talk about competition between universities as being good for an appropriate market they want to encourage new for profit of providers of higher education to enter the market for UK higher education services, the draft of the White Paper, an early draft of the White Paper that I saw recently there was language of the market contestability, competitive bidding, so undoubtedly the government's view seems to be that this is, we are in a period where we are looking at the creation of a market.*

(Senior manager 3, MU)

Some participants were of the view that the rhetoric and language used by politicians, was detrimental in making universities panic and could destabilise the sector. Some believed that the rhetoric was over simplistic, as markets can also have unintended consequences that could lead to market failures. These market failures where the good, a reference to public universities, could be driven out by the bad, a reference especially directed towards private for profit institutions. It was suggested that the government had stepped in to bail out failing institutions in the past, to avoid the associated social and regional consequences. It is hence that government rhetoric of letting a public funded institution fail, which would now be tested. As one senior manager claimed

*I think the rhetoric is that they will let it happen in the sort of posturing that says you need some institutions to fail to get other institutions to really pay attention, you might have some sacrificial lambs, but the reality of a university closing is quite interesting I think probably what will happen is there will be mergers and take overs rather than closure, weaker institutions will be absorbed and once they are absorbed some places will close down.*

(Senior manager 5,OU)

The other rhetoric that was pointed out was of ministers' claims of creating a market in price. It was asserted that different universities will charge different fees based on their market positioning. Ministers were confident that in such a market variable fees would increase competition, and only certain universities based upon their reputations would

charge the maximum fee of £9,000. This critics claimed was a misplaced faith in the ideology of markets, and a lack of understanding of how markets in higher education work. As one policy analyst pointed out:

*The ideology and the rhetoric are the same the ideology and the rhetoric is one of markets, removing government control letting markets determine things like where students go, how many students go and how much they pay that's the rhetoric and the other thing I haven't told you about is close control. It's different from the previous government in that there is more of it and the rhetoric is more clear but it's not actually that different, we have the last 20 years been moving to a place where students pay fees there was meant to be a price competition if you remember with the £3,000 fee which was called a maximum fee but of course everybody charged, the same as everybody charging £9,000 or close to 9,000, there is no price competition there but the rhetoric is one of creating competition but then they were previously based on price.*

(Policy analyst, 3)

The overall feeling was that whilst the rhetoric was of a market, the reality was of government controlling and constraining the creation of this envisaged market. It was presented as a dilemma where the market ideology was at a juxtaposition with the reality of economic austerity and political compromises for the coalition government. This sub-theme of reality is discussed in the next section.

#### 4.9.2 The sub-theme of reality

The sub-theme of reality emerged to capture the feeling amongst those interviewed that despite the rhetoric of creating a market, in reality it was trying to create and shape a more competitive market environment. It was clarified that markets in higher education were unlike classical markets, as they had always required government interference. It was hence to the extent there was and never could be a pure market in higher education. As one senior manager stated:

*No, it will be the usual thing, my guess would be that it will be the usual thing in which there is the rhetoric market and an awful lot of meddling to try and achieve the outcomes the government intended or expected when you have introduced a market.*

(Senior manager 2, MU)

One of main reason put forward for avoiding pure markets was the government policy about social mobility, to ensure people despite their background or location, had the same opportunities to avail. A part of that was the government's commitment to widening participation and access for all. It was contended that this support for social goals, would be present despite any government's political views. It is posited for this reason that if there was pure market of open competition, it might be unlikely that this social goal could ever be achieved. The fear was that the only criteria for going to university might be the ability to pay. As one senior manager asserted:

*So you are asking why government doesn't just say 'well free for all, go where you want to go' I think it is because universities and education are a social good as much as an economic good and also the cost of most people going to university comes out of the public purse so government needs to be sure it is getting what is perceived to be value from money from that, there is also the issue of equity – government has faced some interesting challenges about the geographical distribution of universities and numbers of universities – it needs to control those in a way which the market will not do, so it needs to intervene in those markets to produce the sorts of operational markets that will deliver policy outcomes and the social and economic outcomes it's seeking to have.*

(Senior manager 12, OU)

The second main reason put forward to contradict the rhetoric of a market was the reality that higher education was still being effectively funded by public or taxpayer money. It was clarified that the major change in funding policy now was, that this money was now being routed through the principle of consumer choice, rather than directly to universities. The government would have to withdraw its financial support completely, for a genuine market to emerge. This would mean universities having to stand or fall on their own ability, to generate income and convince the student customer, that it was worth paying that amount to come to their university in the future. This or alternatively a public university deciding to set up as a free public supplier, free from all government restrictions, positioned as a purely commercial university. This was acknowledged as the government desire, but a high risk strategy if the private money could not replace the lost income. As one policy analyst clarified:

*Well people need to decide whether they want taxpayer funded education or not, while there is tax payer funded education no I don't think there will be a pure market because as I say 30p in every pound that we loan to students is never getting paid.*

(Policy analyst 6)

This some believed explained the market rhetoric and was in reality they alleged, that on the contrary the government was restricting a free market from happening. This was additionally due to government fears over the 'student loan book' getting out of control. The government had feared that a free market would encourage universities to charge whatever they wanted and recruit as many students as they could to boost their incomes. As one policy analyst asserted:

*They have released student numbers to some extent but it is only really small area of students with the top grades AAB but that's a relatively minor – in a way that's attempting to satisfy part of the ideology brought for the preference and the consequence is a tighter control elsewhere, so I think that I wouldn't say the market is really written because of this government policy, it is actually less because of this government policy to some extent despite the market, there is a gap there disconnected between their ideology and their rhetoric and what they are actually able to do*

(Policy analyst 3)

There was an overall feeling that despite the government paying less and students needing to pay more, could not solely make higher education market based. Although there were market features such as competition for students. A further sub theme hence emerged that there was no price competition, which is one of the key features of any pure market. This is despite acknowledgment that it was now more of a market than 20 or 30 years ago, but it was still far from being a true market in many respects. The sub theme of price is discussed in the next section.

#### 4.9.3 The sub theme of price

The sub-theme of price emerged where the rhetoric had revealed that the government had expected universities to compete on price. This they had hoped would happen by different universities setting different fees based upon their market positioning. The ministers had

made it explicit, that they expected universities to charge the maximum fee capped at £9,000 only under exceptional circumstances. This despite that fact that when in past fees had been capped at £3,000, all universities had even then decided to charge the maximum. The hope might have been that the substantial increase which nearly trebled the fee cap set, might deter universities to charging the maximum. There was a perception feeling that the government had ignored the Browne review, which recommended uncapped fees in letting the market decide the pricing levels. There was also the apprehension amongst those interviewed that, the government had not fully understood the nature of the higher education market, in realising their vision of create a market in price. As on senior manager explained:

*Diversity of institutions yeah, beyond that there is another thing which is not quite the same as the tariff market and that's a reputational market in the UK reputation, partly because we are so based around a class system just completely crazy here but because we are reputation enhanced is crucial and that has an international dimension – the international market is very tied up with that reputation so there is a reputational market and there is often and expressed through the league table situation and certainly we know internationally if you are not a top 50 university you cannot get government funding for you to go and study in a UK institution so that is another set of parameters around markets. And then what government was trying to introduce was a price market which is a different thing now has that worked it's still perhaps a bit early to say but certainly the conversations I have with VC's from institutions that priced below £9,000 and we are priced at 9, they are all now, what they are wanting to do is go up.*

(Senior manager 10, MU)

This some suggest was due to the naivety and the government's lack of understanding of universities' value proposition as whole. It was also suggested that there had been a lack of realisation, of how students actually chose between universities. They clarified that university choice was based on a combination of factors, and not solely on price. Other indicators especially public perception of prestige and reputation were far more significant than price, especially when every university was charging a very similar fee. It might therefore explain that, prospective students were more likely to take into consideration, which university might offer the best overall return on investment for the same price. As one senior manager asserted:



*Let me go back to say how should one value an education to a student, I think there are 3 quite separate regions into the value of a university education. The first is the consumption value that happens right away, because students enjoy going to university, it is an enriching time that period of time they spend in a university has some intrinsic value of its own, part of that value is that they have had 3 years of enjoying themselves and growing and learning so that's one thing. The second value is from the additional skills that they learn, so students go to university and they learn the real things that turn out to be useful to them in the future, there is a real value in that. The third value is essentially a positional good star value because they have a degree from an institution that has a certain reputation some of the value from their degree comes from borrowing a bit of the reputation of the institution that they got their degree from, so there are 3 different sources of value, I am not sure how much students are conscious as consumers are in themselves appreciating those different sources of value, I suspect they are actually more sophisticated about it than the government, I suppose the governments way of thinking about it they confounded those 3 quite separate, quite distinct sources of value into one lumped question of how does this affect a life thinking perhaps that is a life time change in earnings.*

(Senior manager 7, OU)

On one hand the government was being accused of a lack of understanding regarding markets in higher education, on the other it was also criticised for putting mechanisms in place which had paradoxically restricted the creation of market in price. The fees had been capped at £9,000 that had apparently made fees a surrogate for quality. Some interviewed felt that as an unintended consequence of this, almost most universities decided to charge the maximum fee. The consensus was that setting a lower fee could send the negative signal, of being perceived as low quality. It was suggested that although the fee cap was an anomaly to the market rhetoric, in reality it was in place for partly political, economic and social reasons. It was reported as a political compromise to reconcile ideological differences between the coalition partners, economically necessary to control the student loan book, and socially to ensure the affordability of a higher education experience for all. Some also believed that the fee cap would adversely mean that all universities could be charging the same price, in spite of varying reputation and standards. As one senior manager lamented.

*Yes, because Brown had the Brown levy in it and what the Brown levy would have done would have dis-incentivised universities from going mega high, so Oxford may have gone in at £11,000 but would have had to pay quite a bit of that back,*

*meanwhile other universities would have had to find their own price, what Willetts has done is essentially create a referential price for the sector in saying £9,000 – that's the price it has put in people's minds, you then get the media reporting that universities are charging £9,000, so if you don't set £9,000 you are not an elite university, so you have the elite universities setting at 9, those nearly elite that aspire to be elite setting 9, some of the weaker competitors jumping on the bandwagon and setting 9, then a number of brave institutions like your own, setting a fee which is much more realistic in the market place, and I think those new universities that have set a fee of 9 like East London, De Montfort are going to find the market gets quite sharper over the coming months.*

(Senior manager 1, OU)

The frustration was that the fee cap had been a constraint for setting variable fees, and also a barrier to real competition between universities, which would have required justifying their fee levels based upon clear differentiation. It was also suggested in some quarters that most universities charging the maximum fee could actually contradict the government desire of reducing the public expenditure on higher education. They asserted that these higher fees would lead to a higher default rate of students not being able to pay back their loans, which would further increase the burden on the tax payer. There was hence a view that, the government might have miscalculated the response of universities to this fee cap. As one policy analyst who was also a government senior advisor on higher education at time explained:

*The first thing is – we did use rhetoric, not me but ministers did use rhetoric they thought £9,000 would be acceptable and it has turned out and not quite as common as most newspaper readers would think but it is far from exceptional it's not quite the norm Derby doesn't charge the £9,000 but not quite the norm but an exception, and I think with hindsight we made an error, we should not have used the language we did because what has actually happened that students have understood it is a very progressive repayment mechanism, and the NUS were saying we should be £9,000 so there are more money available for bursaries what I personally believe is the truth – is it's a disaster there is no body in the civil service with any historical knowledge so you have only got to go back to 04 when the legislation went back for the triple tuition fees from about £1,000 to 3,000 they were variable fees, and only about two universities didn't charge that and we should have learnt from that – we didn't for two reasons, one is neither of our advantages were greater and it does deliver more money to universities – we thought it would be a bit more price sensitive than it turned out to be and again with hindsight I am not sure there is any higher education system in the world is truly price sensitive, but as I said the people who should have been warning*

*politicians that everybody is going to charge £9,000 – there were very few people that worked on last set of fee forms, who were working on this, because the civil servants weren't around far too often.*

(Policy analyst 6)

The above quote reveals an admission of a lack in evidence based policy making, where a senior advisor upon reflection felt that past evidence on fees had not been taken into consideration. It hence seems to be case of a lack of evidence based policy, but rather make policy on the go based upon the political and economic considerations at the time.

Overall the idea of an emerging market in English higher education seems to be based partly on the rhetoric, which displays policy makers' continued faith in the ideology of market competition. This is combined with reality of the political and economic dilemmas involved in funding a mass higher education, with populist aspirations of expanding it even further. To what extent governments would want to control the price element, might depend on how much a free market they are politically, economically and socially able to justify and afford. This led to the emergence of the main theme that, it is not a market yet in a classical sense but it is market-like. This market-like theme is discussed in the next section.

#### 4.10 The main theme of market-like

The main theme that emerged to capture the essence of the discussion about the idea of a market in English higher education, revealed the use of the term market like. This term seemed to capture the mood of uncertainty within the sector and the fuzzy boundaries. This was as a consequence of the rhetoric of the market, contradicted by the reality of a cap on recruitment and fees. It had also been revealed that the political, economic and social factors surrounding the funding of a mass higher education system, would deter the creation of a pure market in higher education. One senior manager explained that, market like was a more appropriate expression to capture the market metaphor in a higher education context. They concluded:

*I think it is more market like than it was, it's primarily driven by the fact that income follows the student as opposed to directly coming from government so at a macro level institutions, universities are being forced to think more clearly about who their students are, who are they supporting, what do they need to do and all the rest. The other bit of it is the government is very keen to stimulate competition and I think it is actively doing so, that will take a while to have an impact but I think it is keen to diversify the types of provision that is provided and bringing innovations to the sector. Again the X University is potentially more impacted by that because that new competition will be targeting the kind of students that we have traditionally supported sometimes they will be part time but not exclusively, but I think there are limitations to that it's not a free market in inverted commas in terms of what universities can charge there continues to be a heavy dependence on government – student loans are critical to supporting students through study there's obviously wider social benefits of education to society than not just private gains to being a student studying and there are quite considerable regulations around student numbers around who can provide education which means it is not a fully dynamic kind of market and probably never will be.*

(Senior manager 9, OU)

In the above quote it is important to note the assertion that, there would never be a fully dynamic market. This is because the rhetoric of the market, is contradicted by the reality of maintaining access for individuals and equity amongst institutions from a social mobility perspective. There was also a view amongst those interviewed that the bold vision of the market proposed by the Browne review, had been diluted by the cautious government response. It was felt that the free market which Browne had proposed, had not been implemented due to the complexities of making a coalition government work. This had resulted in the higher education sector being less of a market than it could have been. As one policy analyst explained:

*Browne's intention was to make the operation and the funding of higher education much more market like, much more dependent on the decisions of consumers, students as consumers based on traditional market principles of information choice and an assessment of kind of return, and all of those kind of things so there was no doubt that Browne envisaged a market where decisions of students would drive allocation of resource but that he also thought the value and the information institutions were able to tell about themselves and would drive that choice, and would drive diversity in the higher education market, price terms of institutions, diversity and specialisation. Clearly that has not come to pass like the way Browne envisaged.*

(Policy analyst 2)

It was also felt that the term market-like better captured the nuances, complexities and contradictions associated with the idea of market creation in higher education. This had meant that the government wanted to use a carrot and stick approach, to facilitate the creation whilst also wanting to ensure that, this market environment functioned within the confines of tight controls around recruitment and fees. The other confirmation of market-like rather than a pure market, was based upon the contradiction that some prestigious institutions could choose to ignore the market and still thrive due to their strong historic reputations. It therefore was more like a pseudo-market, which would impact some universities more than the others, due to reputational factors and demand outstripping supply. As one policy analyst explained:

*My view is, I think that there is obviously more of a market competition because the market because the government has forced it into institutions particularly through fees system – fees loan system, to compete, it's kind of a zero sum game now because there is a cap on student numbers there is a cap on places and demand exceeds supply and obviously institutions will compete but they always did that of course but I think the more pressure there is from demand that cannot be met because the government is controlling them to the number of places available then the more competitive it is going to become but to say it is a market like the retail market is a market it's not, there are many institutions that don't have to bother that much, Oxford and Cambridge have said they don't want more AAB, they are not going to participate in that – well what's the government going to do about that, and that's true of some of the Russell Group institutions they are sitting pretty, they have no funding problems they have no problem with recruiting students so they are not really engaged in a market they might be on research but not on students, I don't really see that changing unless there is a process of privatisation and some closure of institutions or Oxford and Cambridge go completely private then that will change things I think.*

(Policy analyst 1)

Market-like is therefore a catch-all phrase, which captures the fuzzy character of markets in English higher education. It captures the dual components of government reforms to English higher education. The first component is the creation of a market environment, with strong competitive pressures and incentives. This is aimed at making universities more responsive and transparent, in meeting the needs of fee paying students. The second but opposing component is the use of government interventions, to regulate this market environment. This is to ensure the achievement of non-market objectives of access, equity and quality. The idea

is to try and strike a difficult balance between beneficial market mechanisms which would stimulate competition, whilst avoiding market failures associated with unrestrained markets.

#### 4.11 Summary

It could also be concluded that despite the polarisation of views on nature of the English higher market, and the uncertainty created by market reforms, it is however clear that a market-like environment has certainly been created. How market-like the English higher education landscape will be in the future, might depend on the political, economic and social considerations towards funding a mass higher education system. As Barr (2012) had suggested, the economics of funding higher education is straightforward, it is the politics that is the tricky bit.

#### 4.12 Will students perceive and be perceived as customers?

The literature review had revealed that the debate about student as customers was polarised. The strong critics mainly from the academic community were concerned that its application would turn higher education into a commodity, and academics into service providers. The policy makers had argued that if judiciously applied, it had the potential to engage students as the primary customers. This would therefore help improve their overall university experience. This contentious and unresolved debate was further reignited after the marketisation reforms of English higher education. These reforms had concluded that students would pay much higher fees, in the form of income contingent loans to be underwritten by the government. This would be based on the logic that, funding would follow the student, rather than universities receiving blocked grants directly from the government. This it was envisaged would make English universities compete harder to attract students, and more responsive to their needs in order to retain them. A question hence put to senior managers and policy analysts interviewed for this study, was about their thoughts on the idea of students as customers.

#### 4.13 Sub themes by categorisation of informants

The responses to the above question were analysed by category, interesting thematic differences were revealed in opinions between senior managers of modern, older and private universities, alongside reflections by policy analysts.

##### 4.13.1 The perception of been thrust upon, amongst modern universities

The initial reaction of senior managers interviewed from modern universities was that they had no choice but to internalise the notion of student as customer. They viewed that it had been imposed upon them due to the way higher education was needing to be funded. They said they would rather see participation levels in higher education be maintained, even if it meant higher fees for students. They feared that any reduction in student numbers due to reduced funding in a tough economic climate, could have a negative impact upon their universities. They acknowledged that if individual students were going to pay more, they would expect more return on their investment in going to university. This would leave modern universities with no choice but to inevitably accept that students will now display more heightened customer thoughts. As one senior manager stated:

*I wish there were a different way of funding higher education; I am not quite sure what it would be, because I think there is a difficulty that we have at the moment that all the politicians are saying there is not enough money, if that is the case then I would rather maintain the participation level but students pay in some way then reduce the number of people coming to university because I think the consequences for social mobility are much worse, the reduction would be substantial – and that I think would have a worse consequence.*

(Senior manager 1, MU)

This predicted increase in the consumer thoughts amongst fee paying students, was also said to be aligned with the general rise of consumerism in society. It had resulted in increased societal awareness amongst individuals about their consumer rights. This was now being adopted by the government's higher education policy, of putting students more at the heart of the system. It was therefore suggested that this policy is aimed at disrupting the traditional tutor-student hierarchy, where the tutor knew best. Instead this is being replaced by a much

more equality oriented experiential and participant forms of learning. The consensus amongst senior managers from modern universities was that this breakdown in hierarchy, could shift the power balance in favour of student. As one senior manager illustrated:

*Yeah, so for example, the interesting one would be to look at the bodies of disability – generally two models of disability the medical model and the social model and another model is the historic one which is the medical profession saying ‘what’s wrong with you’ and the social one is more about ‘well actually the reason you can’t get upstairs is because we put stairs in the first place and if we hadn’t put stairs in we wouldn’t have a problem, because it would be flat, so let’s look at how we can get you from A to B’ it’s not saying there is something wrong with you and I think we have changed if you look at the language in disability – when I was first working in higher education we used to call them handicapped students.*

(Senior manager 12, MU)

The modern universities hence seem to be suggesting that this change in the language of disability, has strong parallels with the changing policy narrative in English higher education. This is the narrative of student as customer, whose choices it is claimed would shape the higher education landscape of the future. The government’s funding policy had hence left modern universities feeling that they had no choice, but to embrace the culture change associated with internalising the notion of student as customer, to ensure their own survival.

#### 4.13.2 A mood of refusal to accept amongst older universities

In contrast senior managers from older universities were keen to refute the idea of students as customers. They were of the opinion that although students would be paying much higher fees, it still did not make going to university a financial transaction. They argued it was more of an intellectual and emotional exchange, and that students were in fact paying to be a part of a university community. They were instead paying for the access provided, to learn from this community, rather than paying for a degree. There was a strong reiteration that although students might increasingly see themselves as customers however, it was not the language that was expectable to them. As one senior manager confirmed:



*I don't see students as customers, I might sometimes use the term how the customers see it but actually I don't think they are just customers they are also consumers they are also critical evaluators, you know there are a whole range of roles that are assigned to students, but I don't think they are just buying a product I think they are engaged in an interaction and a very important interaction with those people who teach them.*

(Senior manager 2, OU)

These senior managers wanted the focus to be on the values of a higher education in the community, which would subsequently give rise to discussion and debate. This would mean student and tutors engaging in critical evaluation and an exchange of ideas, as part of the learning process. They acknowledged that although the idea of paying had made student as customer, the direction of travel bringing the need for universities to be more accountable. They however suggested that it would be harmful if this reached a point where a student thinks that they know best. It was therefore important to endorse the tutor-student hierarchy as being important in learning, and in keeping with the traditions of the origins of universities. As one senior manager revealed:

*They are paying yes, but they are paying to join our community then they are a full part of that community, we do not look at our students as customers, we call it community practice, it's the old sort of apprentice academic mentor really, I suppose it came from the old theological tradition where universities originally came from in the Medieval times, that you had theologians who were the only people thinking outside their box so to speak about what the world meant and they gradually trained a series of monks coming through and that gradually evolved to the modern university now is.*

(Senior manager 4, OU)

On the whole older universities took a much stronger stance in resisting the idea of student as customer. They did however acknowledge that the idea had become the direction of travel, due to fee paying students increasingly adopting the customer mode. They argued that this personification of student as customer should not reach the damaging extent, of them knowing what is best. They also suggest that the traditional tutor-student hierarchy should be maintained but adjusted, from the notion that the tutor at the top knows to that of a more equal partner. This could be seen as an acknowledgment that although older universities steeped in history and tradition, are also having to pay attention because government money

is being replaced by student money. A tacit admission perhaps of whether like it or not, the power balance was now shifting in favour of student as customer.

#### 4.13.3 A keenness of wanting to amplify amongst private universities

Senior managers from public universities had acknowledged that the power balance was shifting in the tutor-student hierarchy, towards the latter due to the principle of funding following the student. In contrast with the reluctance of modern and resistance of older universities, senior managers from private universities wanted to be very explicit in their affirmation for student as customer. They hence sought to position themselves as consumer champions willing to meet and importantly exceed consumerist expectations. They suggested that although students might see themselves as having strong consumer rights, paradoxically they did not want to be explicitly addressed as customers. The privates however seemed keen for the student body to become more explicit, and demanding of their increased expectations from universities. In this they were perhaps seeking to exploit the sensitivity of public universities, towards the idea of student as customer. As one senior manager contended:

*I gave an address to the NUS it was very interesting and they were tweeting as I was talking and I was asked to stop referring to students as customers, so clearly there is a branch of students who do not want to be regarded or think of themselves as customers however, I think the main body of students operates as customers – see themselves as customers and it's that cultural thing – they want to know when they are going to get their feedback when they are going to get their text book when they are going to get their exams, all this is demand, demand, demand, that is customer behaviour, I think it is going to be more rampant as they are going to insist on more rights now because they are paying for it an all that stuff.*

(Senior manager 1, PU)

On one hand private universities were predicting and hoping that students would become much more demanding, in endorsing the idea of student as customer. They however wanted to clarify that although they had no objection in use of the term customer, for how students would perceive themselves. When pressed senior managers admitted that personally they saw students as clients of a professional, rather than purely as customers. As one senior manager attempts to clarify this distinction, they stated:

*And so I expel students, I expelled a student last week, Tesco doesn't often expel customers, I expel students I tell them they can only get a 2:1 or first and that is because I evoke professional values. So a client is a customer of a professional which means that a professional acquires rights and duties that a tradesman does not possess.*

(Senior manager 3, PU)

It appears even the private universities thought that seeing students purely as customers, would project them as taking a transactional and a commodity view of higher education. This they feared might undermine their professional values, as in this case the students had to achieve a certain standard to achieve their final award. They emphasised that their role as professionals was to ensure that, they create the best possible conditions for a student to earn, and not purchase an award. It could be argued that whilst publically amplifying the idea of student as customer, senior managers even from these private universities appeared to semantically distance themselves from it, when asked for their personal view.

#### 4.13.4 Government encouraged policy construct

The common view of policy analysts interviewed was that the notion of student as customer was very much politically motivated. This they suggested was intended to justify the cost of higher education on to the individual student, based upon the underlying premise that who benefits most pays. This has hence promoted the idea that higher education would probably be the single most important thing, which a student would buy. This would hence encourage the rise of consumerist tendencies amongst students. As one policy analyst suggested:

*Well I can't see why they wouldn't because as long as the more we take the few of higher education as being a private good the more students are going to act that it is a private good and therefore they are going to become more consumerist so unless we start to take a radically different view about what higher education is and unless we are prepared to re-instate the public goods*

(Policy analyst 9)

This political encouragement for the idea of student as customer policy analysts thought was positive in the sense that, it would help focus the mind of senior managers in universities.

They would now have to think carefully of what products to offer or not to offer, based upon relevance to employment prospects. It would therefore encourage universities to become more transparent by providing relevant information, and responsive to the choices of prospective students. This some analysts felt might diminish higher education to a transaction, which could stifle innovation. This is because the academics might feel as resorting to safe teaching, by sticking with what works best to avoid student complaints. This, some policy analysts warned could also encourage a narrow instrumental view of higher education, because of universities pandering to unreasonable student expectations. This tipping of scales in favour of being promoted as a private good by government policy, they warn could diminish the public good aspect of higher education. As policy analyst argued:

*It is and the Ministers have used it and the NUS don't like it and I don't particularly I think if you were to draw a distinction Willets would back track occasionally, but he wants more consumer behaviour he wants more informed decisions that is not inconsistent with a consumer, customer ideology which goes back to the information improvement making intelligent decisions about return all of those things have validity, but I think in terms of the impact and the importance of students as they progress and learn or whatever they go onto do if fails to capture that and I think going back to the technology user led innovation in technological terms is what drives big tech companies if you just think consumers students are there to be consumed you are missing out on that user led innovation that could differentiate yourself and could make you the next world class institution or retain your class position the more you get trapped in that transactional.*

(Policy analyst 2)

In the main policy analysts were of the opinion that some balance was required, between both public and the private benefits of higher education. This is because education is not a mere commodity, hence the idea of student as customer should be embraced with caution. They acknowledged that the government encouragement for students to be seen as customers, would intentionally ramp up the pressure on universities to internalise it. They believed that in response universities will need to acknowledge student's consumer rights, by clearly defining the student-university relationship. This is because there is a consensus amongst policy analysts that despite the resistance, the idea of students as customer was firmly the direction of travel. This is because the policy makers are less enthusiastic in talking about the public benefits of higher education.

In summary the idea of student as customer was perceived by senior managers from modern universities that it had been thrust upon them, due to the way higher education was to be funded. This they felt would inevitably lead to the power balance tipping in the traditional tutor-student hierarchy in favour of the latter. In contrast senior manager from older universities appeared keen to refute the student as customer. They were of the view that the students were not paying for a degree, but for gaining access to the university community. They wanted to clarify that it was not a financial transaction, but an emotional and intellectual exchange, for which the traditional tutor-student hierarchy was a necessary part of the learning process. Senior managers from private university's initially sounded very enthusiastic that demanding students, would have increasing expectations of universities as paying customers. They however acknowledged that this might be perceived as a transaction, hence seeking to clarify that student were not purely customers but clients of an expert professional. They emphasised their role as professional was to ensure that, the student as client achieve their goals, of meeting required standards to earning rather than buy a degree. The policy analysts were of the view that the government was keen to promote the customer element of higher education policy, and how this was incorporated in media to fuel student expectations. This because of government encouragement for the degree to be perceived as a private investment, in justification of transferring the cost of funding universities on to fee paying students. On the whole whilst ministers were keen to promote the idea of student as customer, universities wanted to counter this by trying to downplay it. There was however a clear acknowledgment all around that like it or not, the notion of student as customer signified the direction of travel.

#### 4.14 Sub themes from across the sample

The responses to the same question of an emerging market in higher education were then analysed across the informant sample of senior managers of modern, older, private universities and policy analysts. This led to the emergence of three sub-themes namely expectations, process and semantics which are discussed next:

#### 4.14.1 The sub-theme of expectations

The clear aim of government policy was for students to become much more picky and demanding in their expectations from a university experience, in return for having to pay higher fees. The use of the term *expectations* was used frequently by those interviewed for this study. It was used in the context of the media hype surrounding that students would have to pay triple the amount of fees, than they had in the past. This they felt would lead to an inevitable increase in student expectations. This would be a consequence of a change in student behaviour, which would make going to university being perceived as making the right investment. This they felt would also lead to a change in student attitudes, predicted as becoming much more vocal, compared to the past in exercising their consumer rights. This they warned would lead to an increase in student complaints about grades and value for money, leading to a rise in litigious culture. As one senior manager illustrated:

*We have at length, funny enough I have been telling the staff in my addresses to staff – I made the point what do you get for £9,000 – you could buy a car for 9,000 you could buy a fantastic holiday, I have just had my conservatory rebuilt it cost me £9,000, you can get a lot and we haven't got to pay that every year, and by the way if you went to 10 lectures a week, 30 weeks you are paying £30 for every class, and I can envisage the day when class gets cancelled and the student asks for their £30 back, the very next week I had a student write to me; 'I have just had two lectures cancelled I estimate that you owe me £25.' It wouldn't happen widely but particularly with part time students, I think if they pay a fee and the service is not what they paid for they want their money back – and we are in a customer culture now – I am very clear about that, my staff know that. But on top of that you are not just buying a service it is a transaction where I agree to provide this to you and in exchange you provide something for us, so it is not just a one way – so it is not a particular customer relationship, but I think customer from the point they are buying something and they have expectations of what they are going to get from the money they spend – I think in that sense they are customers.*

(Senior manager 9, MU)

It was suggested that in response to the projected rise in student expectations, universities had to be in the 'managing expectations' mode. It was acknowledged that universities needed to respond by becoming better at understanding and managing the legitimate expectations of students. These were also deemed as appropriate expectations mainly based

around the quality of facilities, teaching experience but most significantly about keeping promises that had been made. There was apprehension that the rise of consumerist tendencies amongst students, could also give rise to danger of them having illegitimate expectations. These might translate in the form of challenging of content, academic decisions particularly grades and outcomes. They believed that the commodified notion that *customer is king* and *always right*, should not apply as universities that were not selling a degree. A strong consensus emerged that, universities had to set clear expectations of their core academic offerings. This needed to emphasise that universities were actually providing a service, which was to provide students with the best opportunity to earn their award. As one senior manager emphasised:

*I think increasingly that is the way in which their behaviour I think our role is to educate them but our domain is where those consumer or customer attitudes are appropriate and others where they are not but undoubtedly they do exhibit increasingly customer focused thoughts. We had an interesting debate at our strategic retreat last November, somebody raised this point one of our independent governors said – one of the things we have to prepare for is students may start thinking of themselves as customers, the Vice President of the Student Union said – excuse me we already do if you think the customer revolution is something in the future wake up as far as our students are concerned we are already there. Pleasingly when the discussion unfolded it was a kind of legitimate things about customers that is about keeping promises – when you say something is going to happen we expect it to happen, don't say one thing and do something else if you say our essays are going to be back in two weeks we want them back in two weeks, and if they are not back in two weeks to stop acting like a customer because I will tell you to stop telling me porkies then. Thinking through what being a customer means where customer and consumer attitude is a legitimate expression of a relationship and where there are dangerous intrusions on another territory is no bad thing.*

(Senior manager 3, MU)

An alternative view is that by focusing on right and wrong expectations, universities were masking that they were reluctant to change. This also implied that they were being complacent, and wanted to carry on doing what they had always done in the past. This also suggested that universities were projecting the hierarchical notion that they knew what was best for the student, and therefore the student was not in a position to tell them what to do. This view challenges the stereotype of academic snobbery, calling upon universities to re-

examine the relevance of their academic offerings. This was necessitated by the changing expectations encouraged by policy narrative, which called for universities to become more transparent and responsive to student needs than they had in the past. As one policy analyst asserted:

*The sense of entitlement is just unbelievable – the government is doing this – what it is the market, consumers don't want what you are offering – don't want to eat your Mars bar anymore – and they are like 'we know what's best' – that world has past even if you do think you know what is best – change your mind-set because that mind doesn't work anymore – that tier worries me a lot, lots of students can see the change in things, but those leading with little experience in leading change. Then looking at the rest of the organisation and how you move this beast – the kind of Lieutenants they are looking at to lead this change are all saying they don't want to change either.*

(Policy analyst 4)

It was suggested that rather than just focusing on managing expectations, universities were perhaps being short-sighted in not seizing the opportunities presented to be more imaginative and innovative. This could apparently be due to an area of major concern that some senior management teams within universities, might be lacking in experience and the skills set required to manage a large organisation through a period of unprecedented change. Some would argue that this might have limited universities to a managing expectations mode, and locking them into a defensive mind-set of sticking to what they knew best.

#### 4.14.2 The sub-theme of process

The need to manage expectations was seen to be important as a number of senior managers had argued that, education was not like a one way commercial transaction. It was seen as a process that involved a two-way relationship between the academic and the student, who were all part of a learning community. It was pointed out that in this process, both parties had roles and responsibilities that they had to fulfil, for this emotional and intellectual exchange to take place. It was also significantly clarified that it was not a case of the tutor knowing best, but an opportunity to engage in discussion, debate. It has hence argued that students were not purely customers, but parts of their identity were that of learners and critical evaluators. As one senior manager stated:



*We use the expression here that students are partners in an educational process, they get put in we have got to put in they have to work with others they have to develop others our lecturers learn from our students our students learn from our lecturers, they learn from Other resources and they will learn from each other, from a business school background when you are doing group and project work the students are learning from each other, they are not a consumer of each other, it is an educational process, we do believe that students need to be at the heart of decision making and being more reflective of what their needs are – that's about them having a voice and a say and being part of a process it is not about being a consumer.*

(Senior manager 12, MU)

Some senior managers emphasised that there were aspects of what universities provided, where it would be helpful and healthy for them to think about students as a customer. They agreed there were aspects of service which if not good enough, should be improved to provide a good level of customer service. They however emphasised the need to recognise that the student-university relationship, went much beyond than being just being a financial transaction. This because universities to an extent had to prescribe the experience students were getting, due to the need for assessing and maintaining academic rigour and standards. This alongside delivering an excellent service it was felt, made the relationship inevitably different to one a commercial organisation had with its customers. As one senior manager distinguished:

*The customer side of it is one part of that relationship, but it's not the whole truth of the relationship. Apart from anything the customer is always right, the students are not always right, if students were always right then our product would lose its meaning, because every time someone said something we would go 'oh yeah', whereas part of our job is to say sorry you have not met the grade, no you can't study that because this is what is important. So we are not purely in a consumer led environment.*

(Senior manager 2, MU)

Senior managers were keen to stress that academic hierarchy was an essential part of the educational process. They seemed more comfortable with the idea of a community in which co-creation was more acceptable than student as customer. They however felt that the

academic community should remain in charge, within this so called partnership principle. It could be argued that student as partners, was merely a default position to try and resist government encouragement for students as customers. It could also be sensed that senior managers might be understandably apprehensive about using the term customer, due to concerns of antagonising the academic community within their organisations. They might have felt that using the language of customer could be potentially risky, due to its known resistance within the academic discourse. As one senior manager revealed:

*I think there is absolutely nothing wrong with the concept of customer. And do I think of them as customers, well I always have, the fact that they pay doesn't change my perspective I have always thought of students as the customer just don't use the language, but the concept is absolutely right because it's understanding – we have done a lot of work here on understanding our student body, who they are what the decision making is, what influences them, all the things we need to understand about our student body is that the messaging is right. So the going out and understanding our customers – we have done a lot of work on that – so I have always thought of students as customers.*

(Senior manager 5, OU)

It could be argued that the educational process in which the student is a partner, was deemed as an option of least resistance by senior managers. This could be because of their reluctance to use the term customer explicitly, due to the risk of alienating the academic community within their universities. This might also signify the extent of the challenge, which senior managers faced in trying to internalise the notion of student as customer within their organisations.

#### 4.14.3 The sub-theme of semantics

The use of the term customer itself evoked a varied array of reactions amongst senior managers and policy analysts interviewed for this study. These ranged from some being vehemently opposed to the use of the term customer at one extreme, whilst some at the other end suggesting that it was a useful metaphor, which captured the policy direction of travel. Those opposed to it believed that its mere use encouraged the notion that customer was always right, which would mean that higher education would simply be treated as a

transaction leading to the product losing its meaning. They believed that instead higher education was a complex two-way exchange reliant upon a tutor-student relationship, leading to the transformation of individuals from entering university to the time they graduate. The product was hence transformational, rather than transactional in nature which was undermined by the use of term customer. As one policy analyst asserted:

*I hate it in all its uses, there are some things which I am a customer, there are other occasions where I am a member of an audience, so I don't think myself a customer when I go to a concert or a theatre, I regard myself as a member of an audience, when I get on a train I regard myself as a passenger not as a customer and in a university you should properly be regarded as a student not a students as something else it is a student, so the idea of being a student is what happens, since education should be transformative that's very difficult to link to the idea of a customer.*

(Policy analyst 8)

Some others felt that student as customer was a useful metaphor, which captured the policy direction of travel. This meant that students were not customers in a commercial sense, but because they would be paying much higher fees, they would in future perceive university in investment terms as opposed to buying something. They would hence become much more consumerist in nature, in expecting to get a service and ascertain a return on their significant educational investment. They however believed that student as customer was a stretched and inaccurate metaphor, which did not fully capture the two way nature of the university-student relationship. They instead proposed alternative terms such as students being citizens, community members, co-producers and co-creators in a university experience. They felt that these labels would better capture the idea that being at university was a partnership, in which both parties had roles and responsibilities for it to be successful, in pushing the boundaries of knowledge and innovation. It was to signify that it was not a purely customer led environment, whilst acknowledging that it had elements which would now require increased customer focus. As one senior manager clarified:

*I think they will and there are some ways they aren't customers so for example if we say to accommodation services they are in every respect customers for that service, where we become more problematical is around the academic experience*

*where they are customers in the sense they are purchasing a service from the university which is an educational service but the relationship is more complex than that in they are co-creators of what comes out of them and part of the challenge for universities to ensure the customers understand what their role as customer is, and it's not to just sit back and be taught they are actually in joint – the are a partner in creating the education, they have every right to expect the bit of that partnership that the university staff brings is as positive as it can be, only having that bit is never enough to produce the education they are going to get at the end, so we have a role as a university to explain to the students what it is they are buying, in many respects they are customers.*

(Senior manager 12, OU)

It could also be gleaned that although some of those interviewed for the study, especially senior managers were comfortable with the idea of students being viewed as customers. They were however conscious about the sensitivities surrounding the use of the term customer, hence preferring not to use it explicitly. It was also clear that despite how strongly some felt that students were making significant purchase, and hence they were customers. They all fell short of calling them customers in totality, claiming that it was too narrow a term. It is in their opinion that it did not capture the complexity of the student-university relationship, and also had the potential to alienate the academic community. They hence had to be very cautious about the language that they used, despite their personal views. As one senior manager revealed:

*I think there is absolutely nothing wrong with the concept of customer. And do I think of them as customers, well I always have, the fact that they pay doesn't change my perspective I have always thought of students as the customer just don't use the language, but the concept is absolutely right because it's understanding – we have done a lot of work here on understanding our student body, who they are what the decision making process is, what influences them, all the things we need to understand about our student body is that the messaging is right and once they hit the classroom it's the academic community that take over. So the going out and understanding our customers – we have done a lot of work on that – so I have always thought of students as customers – we use that language here but we just don't use it in the community.*

(Senior Manager 5, OU)

It could be therefore argued that customer was a divisive metaphor, with some completely opposed to the term being used to student being referred to as such. The majority were more comfortable in acknowledging that the metaphor described the direction of travel, bought

about by students paying higher fees. They would hence become increasingly consumerist in demanding a return on their educational investment. It led to some admitting that the significance of this investment, as one of the biggest decisions of an individual's life made it worthy of students being now recognised as customers. They were however reluctant to address students as customer explicitly, by acknowledging that the term was of sensitive nature. This had the potential to alienate the academic community in particular with universities, who had historically opposed the idea of students as customers. This led to the emergence of the main theme of customer-like which is discussed in the following section.

#### 4.15 The main theme of customer-like

The consensus amongst senior managers and policy analysts was that students might increasingly perceive themselves as customers, mainly because of the policy direction of travel. They acknowledged that students' perception of paying for their degree, would mean that they would therefore see higher education in investment terms, hence demanding value for money in return. They also admitted that although student expectations would rise in line with the increasing cost of going to university, despite that, they did not perceive students purely as customers in a commercial sense. They saw them as customer-like because students as part-customers were still responsible for meeting the academic standards. This belief kept to the value of 'earning' a degree rather than being able to 'purchase' it. They felt that the term customer-like included a healthy dimension of senior managers thinking much more on the notion of students buying a product, hence universities needing to pay attention to understanding their decision making process. It also captured the sensitivities attached with using the term customer, suggesting that it was different to a straight forward commercial transaction. They saw it as a two-way relationship between the university and the student, which would lead to an intellectual and emotional transformation. As one senior manager advised:

*I see them as customer like, and I certainly see them at the point of entry as being more customer like than in previous decades, and I think it is helpful marketing theory, and the concepts of customer decision making is quite helpful in understanding how students make decisions and move through the application process, do I see them as customers when they are here? Well, kind of but they*

*have got an awful lot of responsibilities back to the organisation, and it's about being clear about what those responsibilities are.*

(Senior manager 1, OU)

The term customer-like was preferred as interviewees semantically disagreed with the use of the word customer, as they had felt it represented a notion that the customer was always right. They felt the tutor-student relationship was much more like a partnership, in which the tutor played an important mentoring role. This would involve challenging the students as part of their transformation process, in a co-created learning experience. They had argued that seeing students only as customers, would mean missing out on the resultant student led innovation, which was important for the individual, social and economic development. They were also cynical that it might also mean students seeing higher education as a transactional private good, a position encouraged by government policy. This some felt would be normal behaviour as not only funding follows the students, but as they become much more discerning about choosing what and where to study. As one policy analyst explained:

*I think they are consuming something but there is also a collective, collectively as well as individually and it is different going into Tesco's and buying a toothpaste, you are buying your life course as well as an education and you don't know everything you are going there to be educated you are not going there because you know which toothpaste is best, you are going there to be educated so I prefer to see students as consumers as customers, frankly they are buying something, they are buying probably the single most expensive thing than they will ever buy other than their house so the idea of not putting information seems bizarre so I have no problem with them been called consumers, we tend to say they are consumer like or customer like or we are moving towards a market.*

(Policy analyst 6)

#### 4.16 Summary

It could be argued that the emergence of customer-like as the key theme might suggest that, the sector was reluctant in explicitly accepting the notion of students as customers. They were however prepared to acknowledge the direction of travel, hence students being customer-like. It captures the dual notion that students as fee payers had consumer rights, yet they also had responsibilities. The student-university relationship was much more complex than a

simple commercial transaction, instead it was a significant transformational experience that students would now be seeking to invest in. The customer-like theme also aligns with the earlier emerging themes of business-like and market-like. This perhaps reinforces the prevailing sense of dilemmas and uncertainty, causing an identity-crisis amongst English universities at the time.

#### 4.17 Further discussion

This section presents a summarised discussions of the other topics which had arisen from the literature review, hence were part of the interviews. These include the first summarised discussion on the benefits of going to university in the light of the debate surrounding who benefits and who should pay for higher education. This is followed by the summarised discussion on whether higher education would become a commodity as a result of the forces of consumerism that intensified marketisation may unleash. This also included the discussion about whether consumer culture would be increasingly expressed on campus, and should it extend to the curriculum. This is then followed by a summarised discussion of how student behaviour might be influenced when fee paying students choose a university in the future. The final summarised discussion draws together the challenges and opportunities which await English universities in the marketised landscape of the future. This culminates in a summarised discussion of the final emerging theme of individualism.

##### 4.17.1 What are the benefits of going to university debate?

The interviewees were asked about their views on the ongoing and unresolved debate in the literature, about the public versus private benefits of going to university. The consensus was the going to university had both private and public benefits, for individuals and wider society. The private benefits they articulated as being more instrumental and economic, such as the higher earning potential, and increased employment opportunities for graduates in comparison to non-graduates. They also agreed with regard to the less utilitarian or non-economic individual benefits for graduates, mainly to with their own personal well-being and a better quality of life. They also pointed to public benefits, such as the wider contribution of more graduates being linked to the economic growth and social prosperity of the country.

They also felt that there were non-economic public benefits, primarily philosophical that learning for learning's sake was an enriching social experience. The contentious issue was who should, therefore, pay for higher education. The critics remained opposed to the government justification for increased graduate contributions, that private benefits after gaining a degree were far more substantial than public benefits. They argued that the government was deliberately downplaying the public benefits of higher education. The defenders of government policy, on the other hand, contested that funding higher education through income-contingent student fees was the only way of sustainably funding a mass higher education system. They were of the contentious view that, why should one-half of the non-graduate population pay for the other half of higher earning graduates.

There were also divisions amongst those interviewed regarding higher education participation rates. This was the contentious debate about whether university was for all, versus the argument that economic competitiveness could only be sustained by an increased graduate workforce. Those who argued that university was not for all, observed that the traditional model of three or four-year university experience was not suitable for everyone. They wished to clarify that the obsession with targets such as achieving a 50% participation rate, was actually about ensuring that there were increased opportunities for a wider population to instead gain a suitable higher education experience. The political obsession with the idea of increasing participation rates they believed, had encouraged a one size fits all approach to English higher education. They referred to the German model of higher education as an example, whereby demand for relevant skills required by economic planners dictated the type of higher education offerings. They hence claimed that subsequent governments had been seduced by the political attraction of promoting the need for more university graduates, rather than addressing the appropriate balance and mix of higher education provision. Those opposing interpreted this as an elitist argument, which implicitly suggests that less is more, and that it supported the narrow view of only the best students studying at a reduced number of universities. They feared that the government policy aligned with this elitist view, which was supportive of a reduced number of universities in a consolidated English higher education sector. This they argued could damage the diversity and reputation of the sector, which could result in a divisive two-tier system. This they suggest might worryingly comprise of small



numbers of very well-resourced elite institutions, and the struggling rest who would have to compete with alternative providers in the mere quest for their survival.

The other observation that interviewees made pertained to the purpose of going to university. They were concerned that the government policy whereby students would be paying much higher fees, might cause a shift in their mind-set about the fundamental motive of going to university. They felt that the core idea of learning to learn, based upon the notion that going to university was about the transformation of an individual into a well-rounded person. They were of the view that getting a degree was a small part of a wider transformation process, whilst time spent at university was about social mixing and experiencing things. It was, therefore, felt that the purpose of going to university might shift, from learning for learning's sake to learning for primarily earning's sake. This they were concerned would be driven by concern about debt, and that students were now seeing going to university more as an investment. They might hence be more motivated by instrumental purposes such as employability prospects after graduating, and the whole university experience built around the need to deliver value for money. They were critical that the government policy was promoting the idea of going to university as an individual private investment, which was narrowly founded on preparing a labour force, rather than a wider civic society. This they felt was an impoverished and a narrow view, of the purpose for going to university.

#### 4.17.2 Will higher education become a commodity, will consumer culture be expressed on campus, and should it extend to the curriculum?

Some interviewees argued that higher education had already become a commodity, as some employers were looking for the lowest cost provider when it came to negotiating workforce development contracts. It was also expressed as a commodity in reputation terms when universities invest in star researchers to enhance the prestige value of their brands. It was therefore deemed as a commodity into some extent in price, but mainly in reputation. It was also observed that commodification was often associated as being a derogatory term, this needed to be unpacked, as it had both good and bad aspects.

The inevitable commodification of higher education was perceived as good if it increased the diversity of providers and business models. This could be beneficial if it increased choice and good quality of competition. This will allow offering a variety of needs-based educational experiences, for different segments of learners. It was deemed that good commodification should also enable the democratisation of higher education, by taking it to parts of the global population where it was not previously available. This could be achieved by using technology, to deliver affordable bit sized chunks of higher education courses, which will upskill individuals, and improve the quality of life within such societies. It could, therefore, be a driver and an enabler for widening participation, and act as a great leveller of society.

It was, however, clarified that higher education was not merely a transactional commodity, it was also an emotional and an intellectual investment. The interviewees therefore associated bad commodification, with the idea of profit-making and cherry picking subjects that provided the biggest margins. They were against the idea of universities having to behave as training providers, by infantilising higher education in a quest to satisfy the paying customer. Some interviewees feared that intensified commodification would be led by new private providers disadvantaging the incumbents, as these providers would get preferential treatment from a government trying to reduce the public costs of higher education. This they felt had the dangerous potential of reducing the quality, impacting negatively upon the global reputation of English higher education. They also suggested that commodification tendencies could lead the blurring of boundaries between private and public providers, increasing distinctiveness in the short term, but eroding the distinction between higher education and advanced training in the long term. Some interviewees warned that commodification might also impact on choice, of the type of higher education to be consumed being based on affordability. It could mean widening participation being viewed differently, whereby the well-off study at a small number of elite universities, whilst the rest would have access to other packaged vocational degrees. They were concerned that such implications of commodification, could further increase the social divide.

The interviewees broadly agreed that it was right to acknowledge the arrival of consumer culture on campus, as consequence of the change to government policy of students paying increased fees. This they felt had merely brought to the forefront a wider rise in social

expectations, whereby paying consumers had already become used to the idea of increased choice, a certain standard of service quality and demanding value for money. The increased fees had therefore turned university choice into a high involvement purchase, which was likened to spending £9,000 on buying a car. This they agreed would drive universities to pay attention, and invest in all aspects of the student experience. They, therefore, acknowledged that student experience would become the focal product, which students would critically appraise. They would for example expect excellent facilities such as a twenty-four-hour library, state of the art sports facilities and halls of residences. The interviewees also expected elements of consumerism to rise in the classroom too, in form of what they perceive as a consistent and high-quality teaching experience. It was also suggested that universities would need to be clear in articulating the promises they make to students and would need to ensure that they deliver upon them. They went on to warn that student would expect a service they felt entitled to and if otherwise might even start demanding refunds. This should drive universities to clearly define who they are, and hence managing their brand reputation would have to become centre stage. The consistent delivering on promises made would have to feed into every student point of contact, and moments of truth adding up to a great overall experience across the university.

The interviewees although were agreed that it was right to acknowledge the rise in students' consumerist expectations on campus, in line with increased fees, consequently requiring universities to respond accordingly. They, however, caution that it would be wrong if this rise in consumerism, was allowed by universities to extend where students would dictate what should in the curriculum or not. They advise that completely pandering to the consumerist tendencies of students, and hence a course designed by students was not right. They believed that a balance had to be struck, between both claims that a student knew best what they needed to learn, and the university knowing what is always best. They suggest that the expertise of the academic staff had to harness, alongside marketplace trends, employer and student views. They hence saw curriculum development of this type as a more holistic, and a co-created experience. They, however, acknowledged that some universities might be more dictated to by consumerist pressures on curriculum development, than the others. The selecting universities for example they felt might be able to take a product-led approach therefore prescribing the curriculum, whilst recruiting universities might be more susceptible

to student pressures. There was also a view that universities might be better served by setting clear expectations, to be clear in their promises, as to what were the students' actually buying. On the whole, a value-based positioning approach, which combined both the product and market-led approaches to curriculum development was deemed most appropriate. They argued that the role of universities should essentially be knowledge creators, hence striving to stay ahead of the curve rather than following the market blindly.

#### 4.17.3 How will students' choose a university?

The interviewees were then asked about the impact of increased fees upon the choice of university. The consensus suggested that the key factors would implicitly remain the same, however explicitly these would be expressed much more consciously. These factors were employability, academic quality, and the overall environment. All these factors would point towards the reputation of an institution, in terms of the overall student experience. It, therefore, emerged that increased fees could impact upon higher education, now being seen much more instrumentally than in the past as an investment. It could, therefore, mean that value for money could be at the forefront of a prospective student's decision-making process. It was felt that consumerism did not describe the totality of a university-student relationship. It, however, could manifest in prospective students' displaying much more pro-active and rational behaviours in seeking a return on their investment, when it came to making choices about where and what course to study.

It was also felt that whilst rational factors such as employability and value for money might become significant in an era of increased fees, university choice could ultimately come down to emotion and feelings. These could be down to things like fitting in, a sense of belonging, what kind of people go there and word of mouth. It was, therefore, suggested that universities would need to leverage a sense of emotion and personality, which could appeal to feelings underneath rational choice. This because as some suggested that choice could also be underpinned by socio-economic, cultural and ethnic factors. This is whereby some might continue to see going to university as a rite of passage, whilst for others it remained a choice between whether they can afford it or not. Some interviewees were, therefore, concerned that the new fees regime might have a negative impact on debt averse segments, such as

mature and part-time students or those from poorer backgrounds. This it was pointed out by respondents could take away the opportunity from these groups to improve their life chances, purely because of the perception that university is something that is a privilege that they cannot afford, stifling social mobility and economic growth.

It was claimed that the explicit focus on university as an investment could also have implications, such as how different universities might choose to signal their reputation. They suggested that some universities might use a push approach, where quantitative factors might be used to demonstrate transparency. This could be a strategy that might be pursued by modern universities for example, who might focus on contact hours and employability, in seeking to justify the return on investment. Some interviewees, however, warned about the importance of managing expectations and keeping promises made, but expressed caution of not going to the extreme of pandering to student's every whim and desires.

It was suggested that some older universities might opt for a pull approach, to capitalise on the strengths of their brand reputation. This might be shown quantitatively by their stronger league table positions, although this was deemed by some as an incomplete measure of reputation. Senior managers interviewed from older universities also felt that the quality of teaching underpinned by research, rather than a number of contact hours was a more accurate reflection of reputation. They argued that quantification measures such as KIS (key information sets), were nothing more than a bureaucratic exercise. It appeared that universities, on the whole, were cynical about the government's attempts to quantify reputation, with modern universities citing the limitations of league tables, whilst older universities arguing for quality rather than just quantity of contact hours. This indicated that both modern and traditional universities, were in favour of a more balanced approach that incorporated both qualitative and quantitative measures for demonstrating reputation. It seemed that universities were concerned that consumerist prospective students might base their institutional choices, solely upon quantitative measures of reputation rather than the whole and variety of student experience provided by different institutions. It was also suggested that this might be an implication of increased consumerism, where the student might now see a choice of university as more an individual pursuit, rather than a collective social experience of becoming a more engaged citizen.

Some interviewees felt the intensification in consumerism and drive for transparency had underlined the debate on university choice, however this might encourage a one size fits all marketing approach. This could be based upon the flawed assumption, which assumes that there is a single market containing a standard three or four-year traditional degree model. They instead argue for a more diverse approach, which can be tailored to facilitate the needs of different segments of prospective students. They could choose a relevant higher education experience, from a variety out of which the university experience is one of them, to suit their particular needs and circumstances. This they envisaged could enable a new and varied demand for higher education to emerge, and be catered for in various ways, by a distinct range of providers. They also suggested that this would help in rectifying the obsession with increasing participation rates, by offering a range of higher education experiences to choose from. This could replace the myopic obsession, which is narrowly focused on whether more or less should gain a traditional university experience. This might also help tackle the unmet need for gaining the relevant skills, dictated by the needs of a changing economy, and the need for more educated citizens in a democratic society. On the whole, the interviewees acknowledged that the notion of choosing a university experience was limiting, whilst being able to choose a particular type of higher education experience from a variety could be more relevant in the future.

#### 4.17.4 What are the challenges and opportunities facing English universities?

The interviewees observed that the biggest challenge faced by English universities under the new fees regime of money following the student was uncertainty. They argue that this policy would remove the stability provided by the previous system, where every university used to receive a guaranteed fixed income through direct government grants. They were concerned that the new fees regime could also result in a financial challenge, therefore acknowledging the need for institutions to be efficient. They suggested that income sources would have to be leveraged and diversified much more imaginatively, much more than had been in the past. It was speculated that the government caps on fees and student recruitment had also added to the uncertainty, consequentially the stronger institutions could get stronger at the expense of the weaker ones. The predicted increase of new alternative providers could also compound

the competitive pressures, on some of the more vulnerable institutions also described as the squeezed middle. Some had also predicted that these looming dark clouds of uncertainty, may lead to some modern universities failing, or may have to merge leading to a consolidated sector. This in their view could be triggered by financial sustainability fears if participation rates declined, due to debt worries amongst potential students from lower socio-economic, mature and part-time backgrounds. The uncertainty fears also revealed universities were sniping at each other, with older universities calling for the best universities to be expanded even further, whilst the modern universities blamed this policy encouragement for disadvantaging them. They were also concerned that the policy pressures could further squeeze them, as the alternative providers expanded and would profiteer to the detriment of sector reputation and quality. The private providers, on the other hand, dismissed the profit orientation concerns levelled at them, whilst acknowledging that maintaining credibility and government support would be their major challenges. This emerging feeling was of uncertainty now becoming a certainty, the level of turbulence and instability within the sector was described as unprecedented by some of those interviewed.

Some interviewees had expressed concerns about participation rates dipping in the short term in England, however, they felt optimistic that the demand for higher education would continue to increase globally. They believe that with the strong reputation of the UK higher education brand, would make it very well positioned to capitalise on this opportunity. They had however cited the immigration policy as a possible barrier, which could impact the growth of the international student market. They advise that keeping whilst keeping an eye on the rising global demand, the untapped latent demand nationally by encouraging more people especially from non-traditional backgrounds was also an opportunity. They suggested that fact the current demand for higher education in England outstripped the supply, which was also an opportunity to create a more innovative and diverse mix of higher education experiences. This diversity they thought could be aimed at creating a range of distinctive higher education offerings, from which a university experience would be one of them. They argue that the current higher education policy was narrowly focused on a one size fit all model of the university experience, which failed to provide a viable alternative for those seeking to improve their life chances. Some interviewees had, therefore, agreed that a major opportunity for institutions would be to become more effective, by creating a clear and distinctive value

proposition. The term brand hence kept emerging in that context, therefore each institution's brand needed to be clearly positioned in targeting its product mix, in relevance to the characteristics of learner segments, which were their target market. Overall the interviewees concluded that the period of surviving by being middle of the road and trying to be all things to all people would come to an end. They predicted that institutions which lacked a clear focus and distinctiveness would struggle to survive, as the competition amongst incumbents and new alternative providers intensifies in the future.

The interviewees suggested that to deal with the challenge of uncertainty, whilst capitalising on the opportunity of rising demand for higher education, would require institutions to realign their cultural mind set. Some policy analysts believed that the sector generally had a cultural history of entitlement, which had translated into an expectation for the government to carry on funding higher education, thereby protecting institutions from the perceived evils of market forces, keeping the sector immune from uncertainty. The policy analysts recommended that institutions would need to become much bolder, from being largely risk averse, as the policy direction of intensified marketisation was here to stay. They suggest that rather than being complacent, and waiting for a new paradise to emerge successful institutions would actually position themselves proactively, by anticipating rather than merely responding to government policy.

It could be concluded by policy analysts that comfort is drawn by senior managers from demand outstripping supply, and the hope that a utopia would emerge, both lending towards a sense of complacency. This may lead to a hope that tinkering around the edges might be sufficient, also due to an inherent perception that the government cannot politically afford institutional failure, hence would somehow bail them out. Policy analysts also viewed the role internal marketing as crucial, to alter these inherent attitudes that prevailed amongst the academic community. It was suggested that these current attitudes were reflective of a broadly elitist and myopic nature of the academy, in denial of the changing landscape of English higher education. Overall as one interviewee summed up by stating, if nobody wanted your mars bar no matter how good you think your product might be, then your institution's financial sustainability could be in trouble. A balance however needed to be struck between responding to a predicted rise in student consumerism, and the purposes of higher education.



#### 4.18 The theme of individualism

The above debates on the benefits of higher education, rising consumerism and factor that might drive university choice, all appear to point towards a theme of individualism. This theme captures the social and political direction of travel, whereby subsequent governments have sought to provide encouragement for the idea of citizen as consumer. This promotes the rationale of empowering individuals to make informed choices, whilst making tax payer funded public institutions more competitive, responsive and accountable.

This theme of individualism seems to run through the debate on the benefits of going to university. It is suggested that the government has deliberately sought to emphasise the individual private benefits of going to university, whilst allegedly downplaying the social public benefits. This is justified by the principle that individual graduates benefit more and hence should pay, and consequently funding should follow an individual student's choice. This it is envisaged would make universities responsive, by ensuring that their courses are delivering employer and economy oriented outcomes. This is seen as a shift from the collective notion of learning to learn, to becoming a much more individual investment. This it is argued would, therefore, promote instead, the notion of learning to earn.

The debate about the rise of consumerism, commodification and consumer culture in higher education, also appears to emphasise government encouragement for students to view a degree primarily as an individual achievement. This is suggested as being aimed at increasing the expectations of students investing in their individual futures, and hence should be actively seeking value for money from their universities. This would as an implication force individual universities to position themselves distinctively as service providers, competing with each other. It is envisaged that entry of new alternative providers would further accelerate the need to be customer orientated, making it imminent for the incumbent public universities to respond, by having to pay much more attention to their offerings.

The debate about how students might choose university also appears to be geared towards consolidating the focus of what and where to study. This will hence make it a significant rational, as well as an emotional decision for an individual to make. The rational being the need to be convinced about job prospects after leaving university, and the emotional based upon feelings such as a sense of belonging. This is presented as interplay designed to make student consumers more discerning, and individual institutions' now needing to clearly demonstrate their holistic student experience. Individual institutions will, therefore, be required to demonstrate that rationally they are a good investment in the future, and emotionally evoke a relevant sense of belonging based upon their particular target market. The debate about opportunities and challenges for English universities also seeks to re-inforce, a policy encouragement for the survival of the fittest institutions. It is envisaged that uncertainty felt as a consequence of the new fees regime, would translate into institutional realignment. This would require individual universities now having to compete for diverse revenue streams, in order to ensure their financial sustainability. The predicted rise in student consumerism, it is envisaged would make individual institutions think carefully about the relevance and distinctiveness of their value propositions. It is also suggested that in order to succeed in the unfolding market-like higher education landscape, institutional culture would need to be altered. This would require a much sharper focus on internal marketing, and individual performance management.

#### 4.19 Chapter summary

The findings, however, revealed that senior managers in English universities were grappling with an identity dilemma. This dilemma was whether they would be businesses or education institutions, in an increasingly marketised higher education landscape of the future. It was concluded that senior managers did not view universities as businesses in a commercial sense, however, they recognised that in a marketised environment they would need to be more business-like. This suggests increased focus on becoming effective and efficient, with resources and processes, and creating and managing income streams. It was discussed that there was a vying for position as modern universities emphasised the importance of being regionally engaged, whilst the older universities wanting to leverage their educational heritage in a quest to be more dominant and business like. The private universities viewed

business-like as professionalising the delivery of higher education, and in contrast for the government it meant being a consumer champion on behalf of the student body. The findings revealed an identity crisis amongst senior managers of how to strike a balance between the opposing, and contradictory values of education and business.

The interviews had revealed a major sense of uncertainty amongst English universities, due to the perception that policy makers were ideologically committed to creating and shaping a market environment. The modern universities had viewed this suspiciously, based on a feeling that the government wanted to squeeze them out. They were concerned that intensified marketisation policies would further strengthen elite institutions, compounded by for-profit organisations being facilitated to enter the market. The older universities had complained that government restrictions were inhibiting them of growth opportunities to capitalise upon their strong reputations. They had felt less vulnerable to market pressures in comparison to modern universities, placing trust in their history and prestige. The private universities saw themselves as outsiders who favoured market mechanisms, even suggesting that incumbents being overly emotive and in denial about the emergence of a market. These polarised positions had suggested that despite government rhetoric, in reality, a market-like environment had been created. This market-like theme also revealed a policy dilemma for the government, of what extent to pursue the direction of travel of creating a free market and competition, since there was no price differentiation. The extent of a free market in the future was argued, may depend on political, economic and social considerations of funding a mass higher education system. The resulting concern amongst senior managers was that the market could create winners and losers, which policy analysts felt may lead to a policy illusion making universities simply reactive to government policy rather than thinking beyond it.

The findings revealed that the notion of student as customer was perceived as a controversial government and media encouraged policy construct. This was seen to be given prominence to justify the shift of funding for English higher education, from government grants to student fees. It was an idea that modern universities felt had been thrust upon them, now reluctantly having to sell it to internal stakeholders. In contrast older universities had opposed the idea, on the basis that paying for a university was an emotional and intellectual exchange, and not a financial transaction. The private universities were eager to amplify their affirmation for

student as customer in anticipation that student expectations would rise. This was because of their belief in being better positioned to take advantage of this situation, compared to the incumbents. They interestingly clarified that they had no objection if students perceived themselves as customers, however, they only saw them as clients. A consensus however emerged that rising student expectations would have to be managed, because not all of these could be deemed legitimate. This was based upon the characterisation of the education process as a two-way student-tutor relationship, where both had roles and responsibilities to fulfill. The acknowledgment of a rise in student expectations, but being mindful of the interactive nature of student-university relationship, led to the emergence of a theme that students were customer-like. This had reflected a semantic dilemma amongst senior managers of student as customer, who saw it as a useful yet sensitive metaphor as it captured the policy direction of travel. Its acceptance in totality and explicit use of customer language, they were concerned would prove controversial within their institutions. This semantics debate of what type of language to use in labelling students in an increasingly marketised environment suggests a brand illusion.

The findings saw the emergence of a theme framed as individualism. It confirmed the policy direction of travel which encourages fee paying students to internalise university as an individual investment, and consequentially demand value for their money. A feeling is that it could limit the purpose of going to university to learn to earn. This may give rise to good commodification when competition drives diversity of business models, and bad if providers focus on generating a profit. It was also pointed that it was right to acknowledge the rise in consumerist expectations, hence individual universities needed to respond. It was deemed to be wrong if universities simply pandered to increased consumerist tendencies, for example by allowing students to create their own curriculum. The choice of what and where to study was contemplated to become a high involvement rational as well an emotive decision, for an individual to make as personal stakes increase significantly. It was envisaged that competition amongst new providers and incumbents would intensify, leading to the survival of the fittest. The uncertainty created as a consequence of intensified marketisation, it was prescribed would require institutions to differentiate and communicate their brand positioning. The market pressures it was suggested demanded a cultural realignment, in order for universities to efficiently and effectively pursue diverse income streams. This would create opportunities

of capitalising on the rising global demand for higher education, by replicating globally the positive brand reputation of English universities. It was proposed that in order to leverage this individual universities will need to challenge the inherent mind-set of reliance upon a government bailout. They instead must seek to become bolder and entrepreneurial and shape their individual destinies. This would require challenging the cultural illusion within their own institutions because uncertainty is predicted to become a certainty. A summary of the main themes is included in **figure 20**:

Main themes	What did these themes reveal?
<b><i>"Business-like"</i></b>	<p>An identity crisis amongst universities</p> <p>Business or an educational institution first</p> <p>Jostling for position in an increasingly marketised sector</p>
<b><i>"Market-like"</i></b>	<p>Policy uncertainty amongst universities</p> <p>Debate whether it is a market or not</p> <p>Predicted winners and losers in the sector</p>
<b><i>"Customer-like"</i></b>	<p>'Student as customer' is a controversial idea</p> <p>Acknowledged as future direction of travel</p> <p>Debate about the semantics whether 'customer' or not</p>
<b><i>"Individualism"</i></b>	<p>University will be viewed as an investment by individuals</p> <p>Investment view will create good and bad consumerism</p> <p>Survival of the fittest institutions in unchartered territory</p>

Figure 20 Main themes identified

# Chapter 5

## Implications

## Chapter 5 – Implications

### 5.1 Background to the implications

This chapter sets out the resulting implications of this study for English universities from a marketer's perspective. The aim of this study was to gain first hand insights about, how the idea of intensified marketisation and student as customer is understood by senior managers within and policy analysts working around English higher education institutions. The important research questions that this study was seeking to gain first hand insights into were:

What was the rationale driving the intensified marketisation policy of English higher education?

What were the contesting assertions made by those who supported or opposed the accelerated marketisation of English higher education?

To what extent will English universities internalise the notion of student as customer, as a desired policy outcome?

How might the policy blueprint impact upon different types of English higher education institutions?

What would be the implications of the changing policy narrative upon the English higher education sector as a whole?

The aim of the study and the above research questions were examined through the following research objectives:

- Conducting a literature review capturing the major debates that surround marketisation and the characterisation of students as customers of higher education
- Evaluating the perspectives provided by the 39 key respondents on the unfolding policy landscape for English higher education

- Developing implications in light of the unfolding policy landscape for English higher education institutions and the sector

The implications set out in this chapter are based upon assessing the key themes that emerged from a literature review, previously shown in chapter two of this study. The literature review chapter had started by chartering a journey of expansion and increasing marketisation of the English higher education system. It then proceeded on to evaluate the resulting rise of consumerism, and the debate about students as customers. The literature review then assessed the impact of marketised policies on the higher education choices and expectations of students. The chapter culminated by discussing the impact of marketisation on English universities. This led to the emergence of the themes for the in-depth interviews to be conducted as part of the data gathering for this study. This first theme was whether universities would become like businesses. The second theme was whether there would be a free market in English higher education. The third theme was how the purpose of going to university might be impacted. The fourth theme was could higher education be perceived as a commodity and to what extent might consumerism and consumer culture prevail on campus? The fifth theme was would students perceive themselves and be perceived by universities as customers? The sixth theme was how will increased fees impact upon factors of university choice? Lastly the seventh theme as what would be the challenges and opportunities for English universities in this highly marketised landscape?

The above key themes from the literature review were then compared with the key themes, which had emerged during the findings and discussion phase of this study, as presented in chapter four. The key themes which had emerged from the findings and discussion chapter were *“business-like”*, *“market-like”*, *“customer-like”* and *“individualism”*.

The resulting overall implications from this study of intensified marketisation of English universities are presented in this final chapter from a marketing strategy perspective, and are discussed under five main headings. These are identity illusion, policy illusion, brand illusion, cultural illusion and strategy illusion, which will be discussed in turn.



## 5.2 Identity illusion: What will be an institution's purpose in the highly marketised world of English higher education?

In the literature review Brown (2015), had revealed that successive governments since 1980s had pursued the marketisation of English higher education. According to Hillman (2013), this phenomenon had merely intensified with a major increase in student fees in 2010, which would now become a major source of funding for undergraduate higher education in England. Marketisation is predicted by Scott (2015), to remain the direction of travel, as the sector continues to evolve from an elite to a mass system of higher education. It is suggested by Williams (2010), that public funding would continue to decline further, and will need to be subsidised by other income streams. Browne (2010), had stated that funding would follow student choice, to make new and incumbent universities compete for it more vigorously. Willetts (2015), had confirmed that the policy desire had been for universities to become entrepreneurial, not solely relying on fee income, but seeking to raise capital from commercial investors thus funding their expansion. Naidoo (2016), had warned that intensified marketisation and competition might lead to an English higher education sector, where in future institutions might become income focused as opposed to education focused.

Whereas the literature review predicts that marketisation was likely to intensify even further, the findings revealed that senior managers in English universities were grappling with an identity dilemma. This dilemma was whether they would be businesses or education institutions, in an increasingly marketised higher education landscape of the future. They concluded that universities were not businesses in a commercial sense, however in a marketised environment they would need to be more business-like. This suggests increased focus on becoming effective and efficient, with resources and processes, and creating and managing income streams. It was discussed that there was a vying for position as modern universities emphasised the importance of being regionally engaged, whilst the older universities wanted to leverage their educational heritage in a quest to be more dominant and business like. The private universities viewed business-like as professionalising the delivery of higher education, and in contrast for the government it meant being a consumer champion on behalf of the student body. The findings revealed an identity crisis of how to strike a balance between the opposing, and contradictory values of education and business.

This identity illusion is an assertion that as the forces of marketisation gain further momentum, English universities need to move beyond debate mode about whether they were businesses or not, they instead should focus upon making clear decisions about the distinctiveness of their identity and purpose, thus differentiating them in a marketised environment. The meaning of being business-like would also need to be clearly articulated, in the form of a relevant business model. The modern universities would therefore need to articulate what it means to be a regional champion, and was it enough to be just regionally focused. The older universities would need to ensure that their heritage focus does not make them hostages of their past, to such an extent that it constrains their ability to move forward. The private universities might be tested as the incumbents develop their own capabilities, by identifying and tailoring their offerings to suit different segments of learners. It is also being suggested that the government will continue to pursue its policy quest of being a consumer champion (BIS, 2015), by linking fees thereby allowing to charge fees based upon demonstrating their teaching excellence. This results in a shift towards a tiered system (BIS, 2016) of higher education categorised gold, silver or bronze. This further emphasises the need for every university to develop a clear statement of intent and strategic purpose in providing higher education, otherwise an identity illusion might prove to be very costly due to lack of clarity.

### 5.3 Policy illusion: Are universities going to proactively shape policy or be shaped by it?

In the literature review Brown (2010), had revealed the complexities of creating a free market in higher education. One such reason according to Bekhradnia (2013), was that higher education was still indirectly funded by government subsidised student fees, and despite government rhetoric all universities were charging the maximum fee set at £9,000. This is explained by Wyness (2013), as higher education being a Veblen good, where price becomes a proxy for quality. Another reason Teixeira (2006), had explained was that government intervention was an essential feature of the current markets in higher education. This Hemsley-Brown (2011), confirms is to prevent market failures, and maximise the public benefits of higher education to ensure its access beyond socio-economic barriers. The

intention of government policy to introduce market mechanisms to increase competition, whilst addressing market failures are classified by Bartlett and Le Grand (1993), as quasi-markets. In conclusion to the literature review Hemsley-Brown (2011), had observed that in England this quasi-market system was moving towards a less restricted market, however it still fell short of meeting all the essential requirements of a free market in higher education.

The interviews had revealed a deep uncertainty amongst English universities, due to the perception that policy makers were ideologically committed to creating and shaping a market environment. The senior managers interviewed from modern universities had viewed this suspiciously, based on a perception that the government wanted to squeeze them out. They were concerned that intensified marketisation policies would further strengthen elite institutions, compounded by for-profit organisations being facilitated to enter the market. The older universities had complained that government restrictions were inhibiting them of growth opportunities to capitalise upon their strong reputations. They had felt less vulnerable to market pressures in comparison to modern universities, placing trust in their history and prestige. The private universities saw themselves as outsiders who favoured market mechanisms, even suggesting that incumbents being overly emotive and in denial about the emergence of a market. These polarised positions had suggested that despite government rhetoric, in reality a market-like environment had been created. This market-like theme also revealed a policy dilemma for the government, of what extent to pursue the direction of travel of creating a free market and competition, since there was no price differentiation. The extent of a free market in the future was argued, may depend on political, economic and social considerations of funding a mass higher education system. The resulting concern amongst senior managers was that the market could create winners and losers, which policy analysts felt may lead to a policy illusion making universities simply reactive to government policy rather than thinking beyond it.

This policy illusion suggests that universities were simply reactive towards government policy rather than anticipating it, as marketisation of English higher education has been the policy direction for the last three decades. The implication of this policy illusion is that universities were once again stuck in a debate mode, about whether it is a market or not. The policy direction of travel is clearly indicative of more intensified marketisation of the English higher

education sector. This leads to potential implications that instead of worrying about what government policy might look like in the future, universities might be better served by getting ahead by visualising of the future higher education landscape. Additionally needing to consider their competitive stance in a potentially unrestricted market of the future, where universities will be free to set their own recruitment targets and fees. They will also need to consider their response to the policy aspiration, of influencing the supply and demand of higher education. Thus allowing incumbents to expand and new entrepreneurial providers to emerge and enter the sector, increasing competitive pressure and responsiveness. An appropriate response will therefore become more important than ever, as institutions can either shape policy rather than being bogged down by a policy illusion, or increasingly must be prepared to be shaped by it. This is because marketisation is predicted to intensify in the near future, despite the opposing views.

#### 5.4 Brand illusion: Should universities move beyond the student as customer debate?

In the literature review Tomlinson (2014), had contended that the positioning of students as paying customers, was an inevitable by-product of a market driven system. Vuori (2013), had deemed it to be as one of the most debated and polarising metaphors in higher education, based upon the idea that the choices of student-customer would enable a market to function. The proponents of the metaphor such as Chung and Mclarney (2000), argue that customer oriented universities would benefit from recognising consumer-like behaviour amongst their students. They also believe if embraced it would empower students, and improve the quality of experience. The opponents such as Hussey and Smith (2010), had claimed that student as customer did not contribute to professionalism. It could also diminish a university to an upmarket training provider. It was also argued by Holbrook and Hulbert (2002), that education was one area where customer orientation, with its short-term financial benefits and negative consequences did not belong. This opponents such as Chowning and Campbell (2009), had also warned it might give rise to academic entitlement, resulting in the ultimate demise of educations' academic values. The critics of the customer model such as Kay, Dunne and Hutchinson (2010), had proposed alternative models, which emphasised student accountability by requiring the student to take an active role in co-creating knowledge. These

alternative models Marks (2013), emphasised that customer as always right was a narrow and outdated concept. The research on student perspectives of student as customer by Koris and Nokelainen (2015), had alternatively found, that students did not expect to be treated as customers in every aspect of their university experience.

The findings revealed that the notion of student as customer was perceived as a controversial government and media encouraged policy construct. This was seen to be given prominence to justify the shift of funding for English higher education, from government grants to student fees. It was an idea that modern universities felt had been thrust upon them, now reluctantly having to sell it to internal stakeholders. In contrast older universities had opposed the idea, on the basis that paying for university was an emotional and intellectual exchange, and not a financial transaction. The private universities were eager to amplify their affirmation for student as customer in anticipation that student expectations would rise. This was because of their belief in being better positioned to take advantage of this situation, compared to the incumbents. They interestingly clarified that they had no objection if students perceived themselves as customers, however they only saw them as clients. A consensus however emerged that rising student expectations would have to be managed, because not all of these could be deemed legitimate. This was based upon the characterisation of the education process as a two way student-tutor relationship, where both had roles and responsibilities to fulfil. The acknowledgement of rise in student expectations, but being mindful of the interactive nature of student-university relationship, led to the emergence of a theme that students were customer-like. This had reflected a semantics dilemma amongst senior managers of student as customer, who saw it as a useful yet sensitive metaphor as it captured the policy direction of travel. Its acceptance in totality and explicit use of customer language, they were concerned would prove controversial within their institutions. This semantics debate of what type of language to use in addressing students in an increasingly marketised environment suggests a brand illusion.

The main implication of brand illusion is that senior managers could be focused on debating the semantics of how to address students, instead they should consider the impact of marketisation upon the relevance of their institutional brands. It is clear from the literature review that students do not see themselves as customers in totality, however they do expect

an overall high quality educational experience. The implication of this is that universities will need to think very clearly about their target markets, as they can no longer afford to be all things to all people. They will also need to rethink their value propositions in accordance to their desired positioning against perceived competitors, because the current one size fits all approach might not work in a marketised environment. These value propositions will only be perceived to be unique and differentiated, if institutions are able to develop a deep and meaningful insights of their target markets. These insights would require both qualitative and quantitative marketing intelligence, to reveal prospective student's decision making processes along different stages of their journey. This could allow a university to develop sophisticated personas of their target markets, hence being able to develop and project their brand personality. The ability to communicate and implement this brand personality internally and externally, will also become critical to the success or failure in a highly competitive market.

### 5.5 Cultural illusion: Do universities need to shed a pre-conceived mind-set of what is right and wrong?

In the literature review Willetts (2015), had confirmed that higher education provided both public and private benefits, however according to Psacharopoulos (2009), there was an unresolved debate about who benefited more, therefore what should be the ideal balance between public and private funding of higher education. A major trend identified by Scott (2015), was the blurring of boundaries between public and private benefits of higher education. This according to Schleicher (2016) cited in Morgan (2016), explained the ongoing ideological shift towards increased private funding, to better utilise the reduced public funding in a mass higher education system. It was envisaged by Schwartzman (2013), that the policy of increasingly funding higher education through private contributions, would inevitably lead to the rising consumerism in society creeping into higher education. It is predicted by Sandel (2012), that this would further commodify higher education carrying both positives and negatives. A positive aspect according to Maguad (2007), is that it would increase responsiveness amongst universities, and a negative Trow (1968), had warned that it might potentially turn them into credential mills. The increased private funding through fees according to Marshall and Pearce (2012), would also increase the significance of choosing what and where to study. The literature review envisages that although students will focus

more on employability related factors, choice will however continue to be driven by institutional (Raffe and Croxford, 2015) and social hierarchies (Bekhradnia, 2013). It was also revealed by Allen (2002), that choice of university had often come down to the idea of fitting in, and whether or not the place feels right. The literature review demonstrated that increased private funding was a significant component of the intensified consumerist ethos (Kandiko and Mawer, 2013) in English higher education. It would therefore require universities to define a clear direction of competitive advantage (De haan, 2015) for their particular institutions. A requirement suggested by Marks (2011), is the abandonment of the outdated concept which portrays the customer as always right, instead be cognizant of the importance of developing a strong emotional bond (Bowden, 2011) between the student and the institution.

The findings saw the emergence of a theme framed as individualism. It confirmed the policy direction of travel which encourages fee paying students to internalise university as an individual investment, and consequentially demand value for their money. A view is that it could limit the purpose of going to university to learn to earn. This may give rise to good commodification when competition drives diversity of business models, and bad if providers focus on generating a profit. It was also pointed that it was right to acknowledge the rise in consumerist expectations, hence individual universities needed to respond. It was deemed to be wrong if universities simply pandered to increased consumerist tendencies, for example by allowing students to dictate their own curriculum. The choice of what and where to study was contemplated to become a high involvement rational as well an emotive decision, for an individual to make as personal stakes increase significantly. It was envisaged that competition amongst new providers and incumbents would intensify, leading to survival of the fittest. The uncertainty created as a consequence of intensified marketisation, it was recommended would require institutions to differentiate and communicate their brand positioning. The market pressures, it was suggested, demanded a cultural realignment, in order for universities to efficiently and effectively pursue diverse income streams. This would create opportunities of capitalising on the rising global demand for higher education, by replicating globally the positive brand reputation of English universities. It was proposed that in order to leverage this individual universities will need to challenge the inherent mind-set of reliance upon a government bailout. They instead must seek to become bolder and entrepreneurial and shape

their individual destinies. This would require challenging the cultural illusion within their own institutions, because uncertainty is predicted to become a certainty.

The cultural illusion is of having preconceived idea about what is right and wrong, what is good and bad, creating a myopic mind-set that things have always been done like this. An implication of this cultural illusion is that it might be a barrier to change, and stifle thinking outside the box at a time of unprecedented change within the English higher education environment. The other implication might be that universities may have a very impressionistic idea of their reputation, based upon emulating the Oxbridge model. This might result in every institution focusing on the same formula, leading to limited differentiation amongst institutions in a quest to chase rankings. The idea of success also seems to be narrowly based around surface level performance metrics such as league table, NSS, REF and the upcoming TEF. These are of course very important, but arguably narrow measures of success based upon past performance. It is proposed that each institution must focus on carving their own unique identity to succeed in an increasingly marketised sector, rather than being primarily metrics driven. In order to do this institutions will need to be engaged in future gazing, to help visualise what success might look like in the future. This would require moving beyond the surface level metrics to other measures, these can provide much deeper and meaningful insights into the minds of both students and staff. The insights could be utilised to understand the emotions and feelings which resonate, this might be really useful in creating a unique environment and culture for both staff and students to thrive. It will also help with shaping the narrative of an institution, which communicates its distinctiveness and brand essence to its target audiences.

## 5.6 All add up to a strategy illusion: Develop the ability to see strategy from the eyes of the student

In the literature review Brown (2015), had revealed that the marketisation of English higher education had been a direction of travel since the 1980s. This is predicted by Hillman (2013), to intensify in the future. The findings on the other hand suggested an acceleration of marketisation since 2010/11. This had caused an identity illusion amongst English universities. The implication being that they were confronted by the challenge of striking a balance, between the opposing values of education and business. They hence need to rethink the



relevance and authenticity of their identity. How will they distinguish themselves in an increasingly volatile marketised environment?

In the literature review Brown (2011), had revealed the complexities of creating a pure market in higher education. Hemsley-Brown (2011), had instead confirmed that English universities would be operating in a much freer quasi-market (Battlett and Le Grand, 1993), which still did not meet all the essential requirements of a market. The findings had revealed a policy illusion amongst English universities. The implication is that whilst policy makers attempted to create a market environment, universities were focusing on resisting it. They were locked in debate mode, about whether it was a market or not. They instead should focus on being proactive in shaping the market, or else be prepared to be shaped by it.

In the literature review Vuori (2013), had revealed student as customer as a much debated metaphor. It is believed by Chung and McLaren (2000), that customer oriented universities would benefit by empowering students. Others such as Chowning and Campbell (2009), argue it would promote academic entitlement turning them into training providers. It is also revealed by Koris and Nokelainen (2015), that student did not see themselves entirely as customers. The findings revealed that universities were stuck in a brand illusion. The implication was that they were locked in a semantics debate, about whether it was appropriate to use the term customer. They instead should focus on the fit between their institutional brand and its target market.

In the literature review Schwartzman (2013), had revealed that the more higher education is funded by private sources such as fees, it would inevitably result in increased consumerism and according to Marshall and Pearce (2012), also a sharper focus on university choice. De Hann (2015), had predicted that the notion of defining competitive advantage would therefore gain traction. The findings revealed a cultural illusion amongst universities being stuck in an impressionistic mode, carrying pre-conceptions of right and wrong, good and bad. The implication that they might remain wedded to their pasts, which could stifle '*out of the box*' thinking. They instead must focus upon what might really differentiate them from the others.

The combination of the identity, policy, brand and cultural illusion, it is posited has led to a strategy illusion. This strategy illusion according to Longbottom and Mojtahedi (2013), is created because all universities seem to be over reliant on the same simplistic surface level metrics such as league tables, the national student survey, research excellence framework and the incoming teaching excellence framework to guide senior managers in their strategy creation. It is argued by Piercy (2008), that differentiation is the key component of strategy, however simply striving to be the best, the biggest, to grow, are just generic aspirations which will fail to set the basis for a strategic plan. These metrics as a major strategic focus according to Harbisher, Wright, Khan and Paucar-Caceres (2014), may be over simplistic in nature, leading to short termism, as a consequence of which, the results may mislead, and not prove to be good strategic indicators.

To break the mould an application of alternative methods therefore should be implemented as opposed to creating strategy based on surface level measures alone. It had been found by Palmer and Koenig-Lewis (2009), that they are not strong predictors of future behaviour intentions. A need therefore emerges for a deeper understanding of customers and markets, which is termed by Piercy (2008), as market sensing. It was concluded Hancock (2015), that satisfaction survey outcomes tend to focus the management attention on small points of difference between consumers. These differences according to Zaltman and Zaltman (2008), might in reality be insignificant, thus failing to recognise the lack of depth to understand difficult and complex issues, often elicited through emotions and metaphors.

To create sustainable differentiation and a unique value proposition it is recommended by Wong (2004), that an understanding of the role of emotions would be a much stronger predictor of loyalty and future behaviour intentions in both, the external and internal customers. The ability to see your strategy by seeing into the mind-sets of your students may hence provide a much stronger basis for senior managers, by identifying key components which could to be the basis of building a unique and differentiated marketing strategy, for building the brand and its values, and for developing a marketing communications strategy. This is about developing the ability to see your strategy as your students and stakeholders see it. To see through the strategy illusion and see the reality. The implications developed from the literature review and the analysis of findings is summarised in **figure 21**.

Overall implications of the study	What did literature review say?	What did interviews reveal?	Implications for marketing strategy
<b>Identity illusion: What will be the institution's purpose in a highly marketised world of English higher education?</b>	Marketisation is predicted to intensify. Money now follows the student. Policy want for universities as enterprises. Concern a learning to earning university.	Identity crisis amongst universities. Business or an educational institution. All jostling for position. Universities need to be "business-like".	Not to be bogged down by past identity. Create an authentic identity. Is the institutional purpose relevant? What will distinguish each institution?
<b>Policy illusion: Are universities going to proactively shape policy or be shaped by it?</b>	Complex to create a market in HE. HE is still indirectly funded by state. State intervenes to avoid market failures. A much freer quasi market than before.	Policy uncertainty amongst universities. Debate whether it is a market or not. Predicted winners and losers in sector. It is a "market-like" environment.	Move beyond the debate mode. Market direction of travel since 1980s. Prepare for a freer market environment. Be shaped or shape your own destiny.
<b>Brand illusion: Should universities think beyond student as customer?</b>	'Student as customer' highly polarising. Supporters say it empowers students. Concerns about academic entitlement. Students see self as part customers.	'Student as customer' is controversial. Acknowledged as direction of travel . Debate about semantics. Students viewed as "customer-like".	Move beyond the semantics debate. Abandon being all things to all people. Think of segments, target, positioning. Create differentiated brand personality.
<b>Cultural illusion: Do universities need to shed a pre-conceived mind-set of what is right and wrong?</b>	Funding shift from public to private. Leading to rise of consumerism. Choice of where to study complex. Define notion of competitive advantage.	University viewed as individual investing. There is good and bad consumerism. University choice rational and emotional. Survival of the fittest institutions.	Move beyond notion of right and wrong. Move beyond the surface level metrics. Market sensing of emotions and feelings. Develop deeper emotional bond.
<b>All add up to a strategy illusion: Develop the ability to see strategy from the eyes of the student</b>	Marketisation is the direction of travel. Much freer quasi market is predicted. Students are not customers in totality Students will increasingly expect more.	Identity confusion in universities. Policy chaos in universities. Semantics obsession in universities. Cultural myopia in universities.	Move beyond the satisfaction measures. Identify the future success factors. Develop a unique value proposition. See your strategy as your students see it.

Figure 21 A summary of implications; literature review, findings and the way forward from a marketing strategy perspective

## 5.7 Reflective Statement

This section sets out my three main reflections upon reaching the end of this study. The first reflection, is that when I embarked on this research study, I had very little idea of the complexities involved in funding a mass higher education system. This study has therefore provided me with the opportunity to gain invaluable knowledge and understanding, of how the English higher education has expanded and evolved over the last fifty years, from an elite to a mass system. As far as the future is concerned it would be interesting to reflect on how the English higher education landscape might look in 50 years from now.

The second reflection, is based on the literature review that I conducted as part of this study. This enriched me intellectually, and by the time I had completed writing this chapter, I realised that the process of making higher education policy is complex and must be seen from an interdisciplinary perspective. This has allowed me to evaluate the evolution of English education from the political, economic, sociological and consumer psychology perspectives. As a marketer, this allowed me to develop my own informed perspective, on the emerging challenges and opportunities for the English higher education sector. The major reflection, in this regard is that English universities would need to develop a mind-set to accept the notion, that uncertainty is a certainty for the operating environment within their sector.

The third and final reflection is that, as a marketer employed in a modern university, I believe the nous to embrace uncertainty could yield huge dividends for any similar institution, which is prepared to be bold yet clear in setting out its future value proposition. The findings of this study cannot be generalised for the entire sector, however, they have produced some matters which could be relevant to any higher education institution. These are about having a clear brand identity and the confidence to move ahead of government policy by offering a decisive and distinctive positioning within the emerging higher education marketplace. The temptation to be all things to all people may no longer be feasible.

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## Appendix 1 – Consent Letter

### Kuldeep Banwait – Interviewee consent letter as part of the Doctorate in Education

#### Working title: The ‘Student as Customer’ in English Universities: An Interdisciplinary Examination

Dear participant,

You are being invited to voluntarily participate in the above titled research study. You are eligible to participate because you are a key player involved in the development and implementation of *name of the institution*.

#### The purpose of the study:

The ideology of consumerism in Higher Education (HE) in England has seemingly been justified as students will be required to pay a bigger share of their costs. Students now perceive themselves, and are perceived by many as ‘customers’, and universities are eager to respond to this change. It is this context that the use to various marketing metaphors is becoming increasingly common.

This research will examine the emergent consumerist ideology in higher education, by applying an interdisciplinary approach drawing from economic, policy, social and psychological perspectives to inform the ‘marketisation’ of Higher Education debate.

If you agree to participate, your participation will involve an interview about *Student as customer*. The interview will take place in a location convenient for you and will last approximately one hour. You may choose to answer all or some questions. The interview will be recorded and written notes will be made, in order to help the researcher review what is said. Your name or any other details will not appear in notes made, based on the interview.

The researcher will attempt to answer or clarify any questions or queries that you might have. You may withdraw from the study up to six weeks after the date of the interview, should you wish to desire. There are no known risks from your participation, nor will you incur any costs, other than your valuable time.

Only the researcher will have access to your name and the director of studies will have access to the anonymised data that you provide. In order to maintain your confidentiality, your name or any other details will not be revealed in any reports or documentation that results from this project. Interview information will be stored securely in password protected files and will be deleted when the study is complete.

A full transcript will be made available to the interviewee if requested for accuracy purposes. A copy of the final thesis will be available in the library at the University of Derby.

You can obtain further information from the researcher about his study at University of Derby. If you have any questions concerning your rights as a research subject, you may call the Director of Studies, Professor Dennis Hayes for this study at University of Derby.



By participating in the interview, you are giving permission for the researcher to use your information for research purposes only.

Should you wish to insert anything additional before the start of the interview please do so in the space below:

**Thank you**

**Interviewees Name:**

If you wish to receive a copy of any publication arising from the research please provide your e-mail address:

**Signed & Dated**

## Appendix 2 - Interview Plan

It has been suggested that universities are becoming like businesses! What do you think?  
(General/policy related question)

Is there now an emerging market in higher education? (Economic related question)

What are the benefits of higher education, for fee paying students? (Economic related question)

Is consumer culture expressed on a university campus? (Social question)

Does it extend to curriculum? (Social question)

It has been suggested that, higher education is being commodified or Mcdonalised ! What are your views? (Social related question)

Do students now see themselves as customers? (Psychology related question)

Do you now see students as customers? (Psychology related question)

Is consumerism inevitable in higher education? (Interdisciplinary related question)

What factors might influence student choice of university? (Economic/psychology related question)

What are the opportunities and challenges for universities? (Interdisciplinary question)

Is there anything else you would like to add about this topic of marketisation of higher education? (Summing up question)

## Appendix 3 – Data Analysis Example From A Transcript

### Are universities becoming like businesses by categories?

#### Label

University type – Modern university

Name – Person interviewed

University

Job title

Interview number

#### Modern universities

Code - MU/ /VC/1 =

**Answer:** : I think universities have become like business for some time, they operate in a particular market place, with different issues, they are not about selling goods, but they do sell a service, that service is not a degree, it is the opportunity to study for a degree, I think they are autonomous and not public sector, although traditionally marginally funded by the public sector, so it is right to regard them as businesses, I don't have a problem with that, what I would have a problem with is if you lose sight of what your business objective is – which is delivering your programmes to students.

**Commented [s1]:** 'Universities have become like businesses'

**Commented [s2]:** Not losing sight of **core mission** important

Code – MU/ /PVC/2 =

: I think, well first of all you cannot deny that businesses are becoming universities, I know that is not what you have asked, but, I think that it is of relevance you've got – private sector, for profit organisations – Pearson, BPP who are coming into the market, and they will be businesses who are offering higher education. So since we operate in the same place as those organisations inevitably whether universities of the traditional kind are businesses or not they are going to have to adopt more business like behaviours because they are operating the same space as things which are businesses.

**Commented [s3]:** 'Businesses are becoming universities' inevitable

**Commented [s4]:** 'Businesses are becoming universities hence **business like behaviours – identity dilemma**

So that I think is a starting point, the second is that government policy wishes to see students being consumers and the flip side of that then suggests – if they are consumers then those who are providing what they are consuming are probably going to be business organisations, because to be a consumer suggests a degree of choice, choice then tends to suggest some kind of market, market then suggests some kind of competition and whether we are for profit or not the activities that we engage in are going to be business related activities.

**Commented [s5]:** **Shift in government policy** wishes to see students being consumers'

Thirdly, I think that the pressure has been on higher education to adopt management and organisational structures that are efficient in delivering whatever the universities

**Commented [s6]:** Pressure to adopt man/or structures despite **core mission**

mission is supposed to be, and often universities have looked at businesses as being environment those structures have evolved in a way as efficient possible.

**KB:** So, when you say that businesses are going to come into the arena and essentially behave like businesses, they are coming into a new sector, and universities will have to become business like. Do you think universities were not business like previously? Or do you think they had a different ethos a different approach and they will have to change that?

█: I think the question what is a business and what it means to be business like would have to be unpacked, I think there is no doubt if you want the modern universities have tended to come out of what were local authority owned organisations, there cultures are very public sector, now you can argue that makes them more unpopular part and more business like, we tend to have sensible management structures we tend to set goals and judge people against those goals, we tend to have strong oversight of financial issues, now I think those have derived from our public sector roots rather than the private sector commercial roots – but depending what you take business like to mean, I would tend to argue we tend to be more business like than the classic older universities which see themselves as primarily as creators of scholarship, scholarly communities, and which have therefore tended to manage around that sort of identity.

**Commented [s7]:** Modern universities more business like than older universities, stronger oversight of financial issues

**Code – MU/█/PVC/3 =**

█ are universities becoming like businesses? █: Well universities do have to be commercial, obviously our government funding is being reduced dramatically and we are therefore dependent on other sources of income but also we have to manage any funding we do get from government policies or other public funding bodies to ensure that we are providing an efficient and effective service, again that requires a commercial type of practice and we have got to run the university as a business.

**Commented [KB8]:** Inevitable

**Commented [s9]:** Have to run the university like a business due to government funding being reduced – shift in government policy

**Code – MU/█/DOM & C/4 =**

█: I think they probably always have been really, certainly in this institution we have always been very concerned with cash flow, cash forecasts and that sort of thing and have been a debt free institution, so we have been driving towards that with a plan around it for some time.

**Commented [s10]:** 'always have been' businesses'

I think certainly for the last ten years maybe, I have certainly seen that and have been in the sector for about 14 years all together, FE first then HE, and prior to that marketing in the private sector, and I guess you started to see the shift when professional marketing people started around then and that's almost complete now for institutions, and I think with the formalisation of HR things, because they are big things aren't they universities, so I think yeah there is a level of management that has always had to operate in that way – perhaps it is becoming more noticeable.

**Commented [s11]:** Formalisation of HR, professional marketing, 'big things aren't they universities', shift last 10 years, more noticeable now – Economic footprint

**Code – MU/ /DOM & A/5 =**

: Yes.

**KB** What do you think?

: I agree entirely, I think universities are businesses, when  arrived here this was the  as was and it was on the at risk list at HEFCE.

**Commented [s12]:** Universities are businesses

**KB**: That was what year?

: That was 2003, and very quickly  put forward a development plan for the university the university had been declining in terms student numbers as you know at that time if you go under the student number cap you lose those numbers for the next year the university had been downsizing and it had come to the point where it was not sustainable anymore to have a university from all the thing you would have in a university form facilities to staff, we had too few students so the money was going and  put forward this development plan to HEFCE and in 2004 we came of the at risk list but it was some very tough decisions in terms of businesses in terms of redundancies in terms of portfolio consolidating departments making departments divisions other departments where not sustainable on their own or were having to be subsidised by other departments, so he took some very tough decisions back in 2003-2004, now we have grown we are up to 25,000 students at that time we were about 8,000 to HEFCE – so you can see the difference the last nine years has made.

**Commented [s13]:** Tough decision on portfolio consolidation – university was on HEFCE risk list – had become unsustainable

**KB**: So there have been clearly a lot of decisions as you said had to be made. So what do you think is the reason behind as I would classify it as a turnaround?

: I think it's taking some very tough decisions and focusing on what you are good at and that is where I think  has made a huge difference here, at universities – the sector it is very difficult to differentiate between universities but there is a tendency that universities are either research led or they're not and I think incoming students do not necessary understand that distinction, what they know is there are lots of universities to choose from and it is very difficult for them to make a choice, I think the previous regime here was keen that we were sort of middle range, middle class, middle ranking university..

**Commented [s14]:** Tough decision had to be made to focus and differentiate

**KB**: So neither here nor there?

: Exactly you were just somewhere in the mix and I think that came from having been a college beforehand going straight to university status, to get university status was such an achievement back then – it was 1993 but to get it's university status it was the last university to get its status back in 92-93 cohort you just had them in the university so you were proud of that you just wanted to be part of that group so you didn't....

**KB**: It was a badge of honour?

■: Yes it was a badge of honour, being part of that new university group now and so to be somewhere in the middle of it would just be fantastic and ■ arrived and went 'hang on a minute that is all very well to say we want to be middle class or middle ranking or middle somewhere hidden somewhere in the middle but actual fact what we are good at is attracting students locally attracting students internationally, we are not really a national recruiting institution and we ought to be proud what we do, because we do very well we shouldn't be trying to be anything else.' And I think ■ arrival gave us the opportunity be celebrate and be proud of what we were good at.

**Commented [s15]:** Lack of clear positioning – all above point to that this university had not been **business like**

**KB:** So rather than running away from your local routes you tried to embrace, because you can't change location you can't change who you are and where you are.

■: Exactly and we had very strong local connections a large number of our students come from the local population and we are delighted that we are inviting those sorts of students for an education that they might not otherwise get, might not have the grades to get into other universities and they are very welcome to come here as Les put it 'it's a life transforming experience going to university' and the sorts and kinds of people that come here will have a bigger journey by the time they leave university they will be leaving with a fantastic qualification, that journey from arrival to departure with a good degree which is industry standard as such it will be a further journey than somebody who has come in with 3A's in A levels, and walking out with a 2:1 for Surrey example because they would be on that trajectory anyway, because the kinds of people that come here may not be on that trajectory.

**Commented [s16]:** 'It's a life transforming experience going to university'  
**Social objectives, Core mission and values**

**KB:** Talking about trajectory ■, can I assume that we are on a kind of trajectory where universities might have to come more and more business like?

■: Absolutely

**KB:** And why do you think they will have to become more business like and how would they have to become more business like?

■: I think they will have to become more business-like with the current fee regime, the finances, universities are not getting the money regardless they are not getting the money on how many students they have, they will be getting the money on how satisfied the students are and students will vote with their feet if they are going to pay directly, it's not that the price of education has changed it is that the cost is now with the consumer and that's really the big change.

**Commented [s17]:** more **business like, policy shift** – fee regime  
'Cost is now with the consumer' 'big change'

**KB:** So the unleashing of market forces in a sense.

■: Yes.

**KB:** So how would a university have to change from example you have had a journey from 2003 through to 2012 you have kind of got a clear focus a sharper focus in a sense you are very clear about your market, you are very clear about the positioning of your brand and that's a real improvement on some of the universities who are still working through that in a sense. But how would a university have to become more business-like? What would have to change?

■: I think universities have listened more I think that is the bottom line they have to listen more to the **customers** whoever they maybe and to the types of needs that those students have, a lot of international students and we do here students that come from abroad may have very different needs they may have higher expectations about support mechanisms they have in place, students from China for example live and taught in a whole different way, they have maybe a steeper learning curve in terms of coming to this country and understanding that they have to do much more critical analysis on their own they are not going to be taught in the same way or same style they were used to, and students from China require a lot more assistance to understand the type of higher education and the way it's taught here. Students from India may expect better standards of accommodation, than local students who are living at home anyway, so you have to think about the accommodation you are providing you have got to think about the academic advice you are giving, even for home students even if they don't require accommodation they may have different needs in terms of financial challenges, so you need to be thinking about scholarships and bursaries that you can provide to support them so they can focus on their studies and won't get unduly worried or stressed about their financial position. If a very mixed and diverse student population and the global village that we are in and universities chasing far more the international students – universities will have to respond to the very different demands of these **groups**.

**KB:** Because the money is coming via the student.

■: The money is coming from the student absolutely.

**Code – MU/** ■ **/VC/6 =**

■: Yes it is a very definite change which has gone on, I can remember when the polytechnics came out of Local Authority control, I can remember ■ our deputy director of resources saying to me in a meeting that universities **are** not businesses but they are expected to be run in a business like way, I remember that lots of times and I looked at a number of businesses and saw how badly they were run, it was interesting in those days we didn't dare say that a university was a **business** in reality the business speak, business processes, business methodologies have come into universities in a big way. I believe that a university needs to values driven, we have a set of values which drive this **university** but I also recognise there are a lot of similarities between this university and a business we have to make sure that the income exceeds the expenditure, we have to invest carefully for the **future**, I actually love the fact that we are not further bedded by government anymore because I think that was a bad situation lots of universities including this one let their estate go to rack and ruin because they believed when it was about to fall down the government would step in with a capital grant.

**KB:** I think that is an interesting point that you make that we need to have some business practices versus values.

■: I did not say versus, we have to have business practices but we are values driven here I didn't juxta-suppose **them**.

**Commented [s18]:** **Business like** – 'have to listen more to customers'

**Commented [s19]:** **Business like** – 'will have to respond to the very different demands of these groups' (international students)

**Commented [s20]:** Not businesses 'expected to run in a **business like** way' 6

**Commented [s21]:** **What is business like way?**

**Commented [s22]:** Didn't dare say university was business but in fact business speak

**Commented [s23]:** Importance of being values driven

**Commented [s24]:** **Business like** – income exceeds expenditure, invest carefully for the future – due to **policy shift**

**Commented [s25]:** **Good quote 1 on being Business like**

**KB:** I put this question to another Vice Chancellor what is more important the business or the values?

█: I would hope every Vice Chancellor says the values, but that's where I come from and of course there are a lot of things that a university does that you would not do if you were merely a business you would not use the land we have here in the centre of █ you would use if for retail or something and get a higher return on the land. We are here because we are an access university and people find it easier to access a university in the centre of town, so the values have to win out every time over business but if you do not recognise certain business, the need to invest, recognise the need to look after your staff because staff are the greatest asset a university has but above all coming back to the discussion we are having if you don't look after your customers you are in trouble.

After I finished at Imperial I went to Uganda for a couple of years things got a bit hot with Armina as the man in charge, so I got a job at █ and had to work my way up from the bottom which is a good thing to do, you get dumped with all the courses that others did not want to run, and it was the part time courses and I realised the clever thing to do was to do with part time courses was to delight the students – delight the customers so they came back for more, so you would start people on a HNC programme and you take them all the way through to a part time PhD and I did that with some people and their employers in those days were prepared to support them and they had arranged their lives around the fact that they would be spending some of their time studying but it was so much easier than having to go out and keep getting new customers.

**Code – MU/█/VC/7 =**

█: I have been at the university in total for thirteen and a half years, I came as deputy to the Vice Chancellor and I have been a Vice Chancellor now for something over nine years about a nine and a quarter years. In terms of the changes when I first arrived we had about 11,000 students, we now have 30,000 students. In the time I have been Vice Chancellor our turnover has more than doubled the size of our international student body has quadrupled I would say, importantly there has been a huge shift in the profile of our student base we have got much more involved in business integrated work, cofounded education, knowledge transfer, knowledge exchange, we have tried to improve our research profile, largely applied research linked to business, so we have a very strong focus on working with the regional economy and regional employers, and at the same time in the last 5 years the number of students in our franchise FE partner colleges increased by over 100%. So there has been a period of many changes, mainly growth as I say our turnover has gone from just over 7,000 to 140,000 in the last 6 years, so it's been a time of very great change, and I guess the good thing for us as of course you probably know is the culmination of that we were recognised as 'University of the Year' we were Entrepreneurial University of the Year, Business Incubation of the Year we were shortlisted as █ Company of the Year, we have won the █ Organisation of the Year, so we have had a lot of external accolades, largely were the

**Commented [s26]:** Being **business like** means to be – values, invest, recognise staff as asset, look after your customers



Employer Engagement Initiative of the Year 2009-10, so we have won a lot of external accolades largely from our work – our business facing type of activity.

**KB:** There has been an assertion that universities are becoming like businesses – what do you have to say to that one?

■ I think the first point I would make is that you can go back to the days of Harold New – Chief Executive of our Council, and he used to talk at length that we are a very diverse sector and he used to say tell us what you are good at and confront you like that, it was that sort of approach and I very much welcomed that because when you say are universities like businesses? I would say some are and some less so and I think that is probably an important point for me because some universities have a very well established traditional mission, the important thing within that mission is that – their mission maybe to be globally world class at research for example, and it maybe therefore the way they intervene with business might not actually be their main priority.

There are other universities that of which we are one where research is important and what gets us out of bed in the morning is the way in which we engage with business the way we engage with our students the services we provide the quality of those services how we continue to offer the same type of service standards that people would expect from any other business engagement so for an institution like me we are a business I am absolutely clear, I am absolutely clear about that, we are a business we sell services to people, they buy those services and they expect high quality and we provide solutions to meet their needs, in the same way other companies do the same we are very much a business . I would say there are some other particular universities that would believe the mission and the ethos that they have would mean that they do not see themselves as a business, and that is fine in a diverse sector.

I would say that the number of those universities is getting smaller and I think even they would say in terms of their student interface they are having to seen to be – to compete and to provide competitive services. In terms of a university where 60-70% income might be coming from research, they may say – it's not so much about – there are other things driving them to behave like a business.

**KB:** So when you say we are a business – when you arrived at ■ were they not a business? You outlined some of the changes – why did you have to make those changes?

■: It all depends, even businesses behave in different ways, I can go back to a previous university where I worked where the Pro Vice Chancellor was appalled at the prospect that a university would spend money on marketing, absolutely appalled - we get money for research and teaching why would you do that? When I came here the university was very small a particular size a particular shape, it was a second chance type of university, people came here, largely local people, and we wanted to grow we wanted to bigger and we wanted to be more than that, about that time I think we did what a lot of other people did we looked where the market opportunities were and at that time the government was saying what we would like is more part time learners – we said we can do that, they wanted more sub-degree – foundation degrees, HND's we said we can do that, they wanted more students working in companies, seconded

**Commented [s27]:** How the economic footprint of the university has increased over the last decade, size, turnover, business facing, links into regional economy & regional employers

**Commented [s28]:** Like businesses – 'some are some less so' because traditional mission – primary purpose

**Commented [s29]:** Diverse sector – our mission – key quote we are a business we sell services to people' – is this an extreme manifestation of being 'business like'?

**Commented [s30]:** Number of not 'business like' universities getting smaller and smaller due to policy shift/drivers

to companies or partnership delivery – well we can do that, we positioned ourselves around those – you may know there was a sort of bidding around the growth, what they did not want was more full time undergraduates – so ok if you want that we will position our business around that, so we moved our business aims around same way is supported the regional economy – where is the regional economy going, where are the jobs – what is going to be the future, what are the demands from companies, what's the RDA going to be spending its money on, which of the economic sectors is going to invest money in; well let's move into those. What we did was reposition the university – partly economic facing in the regional economy, partly government priorities. Then we started a bid for extra resource we were bidding for growth, and we became hugely successful. Our part time students went from 2,000 in 1992 to 18,000 by about 2008/09; 900% increase and that was really by just repositioning ourselves, the government has said they will fund part time growth so we will provide part time growth, it was very much a business decision, there is a link to the needs of the economy and a link to growth, it was very much a business focused decision.

And as we have done that we have changed the ethos of the organisation, we have changed the aims of the organisation so that we have tried to reflect government priorities and so on, and that has been a very conscious decision to do that, so I think in that sense, but of course then we then say you go to [REDACTED] – every student in [REDACTED] University who wants to stay in the region is looking [REDACTED] to [REDACTED] [REDACTED] – why are we going to get them to choose here? So we want to offer better buildings, better facilities, and a better environment, better student experience, so we are saying how can we reposition ourselves so the quality of what we do is to be seen as better, better fitted need, we sold it better we marketed it better – so all the things you would find in a business – looking at the markets for your products, positioning yourself in the market place, promoting what you do and pricing it all of that plays in to what we do.

**KB:** Two follow up questions really, one is – I am referring to when you first came here what where the aspirations of the staff like and have you had to move those? Number 2, [REDACTED] as a City you can rebrand the university but can you help rebrand the City?

[REDACTED]: Two very perceptive questions. One good thing about [REDACTED] and the Chancellor will tell you this, people tend to stay here a long time, people in the [REDACTED] generally, don't know if it is true of [REDACTED], tend to be – they don't have strong self-belief they tend to think everybody is better than them so I guess when I came here what I found was a university that was very much geared to just meeting the needs of the local community and doing ok, doing ok, they fore filled a function they has some aspiration to grow, and they had grown a little bit but largely around servicing the local community the participation rates were local, and there was no great belief that we could be an outstanding university, so I think we had to start form a base of persuading people we were actually better than that, we were fortunate through the process of teaching quality assessment that in the early years 2001-02 we had a number, we orchestrated in a way, put in place processes and procedures and systems I would say to allow us to demonstrate externally that our teaching was a very good quality. So when I arrived in 99 only Computing was rated at excellence by 2003

**Commented [s31]:** **Business like ethos** – all things you would find in a business, looking at markets, products, positioning, promoting, pricing

that had been extended to include Nursing, Allied Health, Design, English, History, Education, Social Work, two thirds of the university was branded as excellent, and with that process people actually started to believe that we weren't just an opportunity university, we weren't just about second chance, we were much more than that – we were starting we had a whole niche provision; we had the first degree in Criminology in the UK, we had the second Sports Physiotherapy in the UK, thirdly the first degree in Computer Games Designing in the UK, the first degree in Serial Crime Sites – in the world, we had some niche provision, which gave us an edge, we had some good quality. So we started to try to say to people – 'look we are more than just a small university serving the local needs of the community,' and people started to believe that so we changed our mission in 2005 from being the opportunity university to a mission of providing excellence, and we started focusing on excellence and the fact that we had some really good quality stuff and more recently we changed our mission again – providing opportunity, driving enterprise and delivering excellence. And that's really important for us people get behind that anyone in the university would and could tell you what our university mission is, what we are about, because we are about providing opportunities but we are also about supporting the economy we are about delivering high quality and excellence and an excellent student experience – people talked about and they feel proud of it. So I don't have to persuade people I always say this at conferences – people say, 'how do you get staff to do that?' And I say, 'partly we have had to change staff, partly it has been when we advertise jobs it's there in the literature; we have set out our value statements we have set out our principles,' and if you read those you would know what kind of a place we were, so people come here they choose to come here because of the kind of university we are.

So over the last decade the staffing at our university has evolved and changed to a set of people who believe in our ethos who believe in our vision – so I don't have to sell business facing, I don't have to sell any of that stuff we do because the people who are here believe in that, and there is a huge energy around the place in around it being 'can, flexible and responsive,' – so that's been good. And we pushed it on and I always say to the staff 'if any of you had been here a long time I hope you won't be offended when we say this is not the institution it was ten years ago.' Ten years ago we could not have dreamt of been [REDACTED] University of the Year, it was absolutely inconceivable – and yet here we are. So this is about growing confidence about changing chipping away at the quality of our student experience, [REDACTED] will do the same I know, every year we get our NSS results, we go through all the results at subject level where are the short falls what's the action plan to put it right, how are we going to do better next year – it is continuous, chipping away, chipping away, improving the quality of the environment building more buildings, reequipping buildings, being more professional in the way we market our courses, the way we sell our courses, the interface on open days – everything. Just trying to be more, and more professional.

In that sense the university's reputation improved, and I should say without being arrogant [REDACTED] still doesn't have a great reputation but the reputation of the town is starting to improve largely, partly because of the success of the university. We still do suffer a bit [REDACTED] doesn't have a good profile nationally but I think when a lot of people come here say '[REDACTED] is better than I thought it would

be,' and we are doing a lot of work with other institutions in the area to try and raise the profile of the whole [REDACTED] area and [REDACTED] in particular, but it is a slow process. If I tell you a number of years ago – you'll probably remember this, [REDACTED] Council surveyed residents and one of the best things about [REDACTED] number one was the university, number two was the football club, we did a survey of our students at the time – one of the best and worst things about being a student at [REDACTED]; the worst thing was to see [REDACTED], so we got [REDACTED] saying the best thing was the university and we wrestle with that, and we try, I have had a meeting with the council this morning – looking at the Art Gallery in town and how are we going to try and help them to anchor that, to give that national and international future and how we can work with them, so if we had – the football club, we work with the football club too, if the football club is successful, if the university is successful and if the art gallery is successful – [REDACTED] was there the year won University of the Year, if we could have some success stories and harness that – then we can start to change the town. So it's an on-going process.

**Commented [s32]:** University linked into the **economic footprint** of other key components of the regional economy

**Code – MU/[REDACTED]/VC/8 =**

[REDACTED]: Universities I think to some extent have always been businesses in the broad sense but I do think we have a particular responsibility to our communities and our public and I think universities do a fair amount for their communities and the public at large, we haven't been very good at quantifying it and actually we haven't done much to shatter that. So another strand that what we have done because I – last year we spent a year working with staff and students, because at [REDACTED] our basic premise is that we are one community so our students are equally members we do use the "c" word but it's not consumer it is citizen, so our students are citizens of the University of [REDACTED] and we develop the notion of a passport when you come here and actually you are a citizen for life then, so we have over the last year had increased student representation so that we have student representation on our governors, our executive and every committee in the university we have a strong partnership with the student union and we are now in the process of taking that to the next step further, so we will have students meaningful – student engagement in staff appointments, we have a project here that is called 'student as producer' which is deliberately engaged in [REDACTED] work – but it's not mine because it is embedded across the institution so last year we did a mapping exercise to see where students were producing things, and we have also embedded within a quality assurance validating process – so if you are going to get a programme validated at [REDACTED] you not only have to have learning outcomes you have to have learn outputs – so it's quite clear what students will produce and make.

**Commented [s33]:** 'have always been businesses in a broad sense'

**Commented [s34]:** **Business like** – 'businesses in a broad sense' 'have a particular responsibility to our communities and public at large' – student as citizen not consumer, Student as producer – learning outcomes and learning outputs

This links to **economic footprint, core purpose, social objectives**

**KB:** So it's not just what's going in but what's coming out.

[REDACTED]: Absolutely and I am an educationalist by background and my research is on higher education students and diversity particularly, social divisions where I come from I am a Sociologist, so I know in education that people love to see a final product and actually you coming from the background you are coming from you'll know as well the Taylorist model is actually dehumanising so part of our vision is that we give to

students dignity by them being able to see what they have managed to produce. So that's part of the citizenship modal that we have here and the other part of that is this year we as part of our strategic plan identified a public engagement strand so we now have a dean for public engagement and there is a public engagement committee which student and staff reps on it, and the idea is to quantify all the work we do for the community identify where the gaps are and start to grow that more, and senior management team has put it – something it where its mouth is, by each of us has identified the pro bono work we do in the community, so we might be governors on schools, governing bodies, we might – our director of estates for example does pro bono work for the City Council around planning because that is his expertise, we have people who work for the Prince's Trust.

**KB:** There seems to be a real strive to be really immersed.

█: Yes.

**KB:** With the student body and the community.

█: Yes, that is very much what is important to us but part of the community there is not one community so it's a whole variety of things we are very immersed with the business community in fact we have very deep partnerships with business but it is also with the wider community.

**KB:** I will pick you up on your earlier point – you said universities have always been businesses in the broader sense, is that sense narrowing now do you think is that why you said broader? Is there a shift now do you think? You talk about engagement with the community.

█: I think what I would say is that when I first became a senior manager in a university back in 2009 I had been in a senior team in a different university for a long time.

**KB:** Kingston or previously?

█: Previously, that was at █ at that point government funding direct to universities it was the beginning of the Thatcher years and the way I would put it is I would actually think there was less accountability to the public purse and actually I think we have got better at that and I actually think that now we are more concerned about what we are spending our money on and what is appropriate to spend our money on so I talk to my staff a lot about 'you're in the position now of needing to justify why you are doing that because this is being funded by student data.'

**Code – MU/█/PVC/9 =**

█: Universities are not necessarily completely businesses, they are not businesses they are institutions of higher education or tertiary education, but they have to run in a business-like manner which means they have to be mindful of their resources, their resource allocation and their surviving role as an institution, but a business may have objectives such as growth of revenue, growth of turnover, growth of market share and growth of investment, return of investment to shareholders, a university will have some of those but many more complex objectives;

**Commented [s35]:** Public engagement strand

**Commented [s36]:** Deep partnerships with business but it is also with the wider community.

**Commented [s37]:** Key quote on policy shift 'you're in the position now of needing to justify why you are doing that because this is being funded by student data.'

**Commented [s38]:** 'not necessarily completely businesses, they are not businesses they are institutions of higher education or tertiary education'

**Commented [s39]:** Defines business like – quote 'business-like manner which means they have to be mindful of their resources, their resource allocation and their surviving role as an institution, but a business may have objectives such as growth of revenue, growth of turnover, growth of market share and growth of investment, return of investment to shareholders, a university will have some of those but many more complex objectives; contribution to society, graduate employment and value to students who come in and different universities will have a different profile of students, of course they should at the end of the year have a surplus left for re-investment but the picture in the university – it seems to me - is far more complex a business is simple in comparison to a university, a university is very attractive'

contribution to society, graduate employment and value to students who come in and different universities will have a different profile of students, of course they should at the end of the year have a surplus left for re-investment but the picture in the university – it seems to me - is far more complex a business is simple in comparison to a university, a university is very attractive, let's take [REDACTED] our neighbour here or even [REDACTED] we are a relatively attractive institution, we could take in many more students if we were a business we would just grow – easy – we would just obtain capital and grow – we cannot grow because we are constrained where we cannot take any more students because students draw down government subsidised laws and number control.

A business man heading a university would be completely frustrated because even if they have an attractive portfolio they can't just grow so you have to run different ways, my thesis which I often share with the staff here 'this university is not a business but this university must run in a business-like manner,' we are an institution of education our product if you want to use inverted quotation our product, if you like to call it a product 'is changing the minds of the students who come to study with us.' A central core part of our mission – this university is called [REDACTED] and we are named after [REDACTED] who was principle of the College that led to [REDACTED] from the mid 30's to 1956 – he said 'that the purpose of education is to graduate students to live lives of consequence,' – that's our objective and that does not necessarily mean make money obviously that is [useful] I hope, there are two things that we are very proud of – during the 1950's there was a man here called [REDACTED], they named a laboratory after him across the campus – [REDACTED] was an engineering lecturer and one of our buildings was appropriated during the war to be a hospital for returning soldiers – so he was here in the 40's and [REDACTED] was used as a hospital for recovering soldiers, the soldiers would come back from the second world war with terrible injuries and they were put in a hospital – a special temporary hospital here and the nurses dealing with them were female, small and these guys were heavy and big so [REDACTED] invented a bed lift a system with hydraulics and levers and pulleys – which is now used all over the world in hospitals everywhere – this was one of our guys, so for us that is something we are very proud of a lifting device a mechanical device with a little bit of hydraulics and electronics so it can be used in developing countries everywhere and it helps nurses to lift heavy patients – that was invented here. Let me tell you about a graduate of ours called [REDACTED] – graduated here 12 years ago and he is a designer – he is the guy that designed the [REDACTED] – just now going around the country. So there are two examples of what we would call life consequences.

We also have people, we have the [REDACTED] as a graduate – he make plenty of money so when I say life of consequence that is what I mean – that's our business and that's not the same as a bottom line it's not the same as ROI or the return to shareholders, it's not the same as growing a market share – it's something totally much more complicated and much more subtle we are definitely not businesses but we have to run in a business-like manner. So one final thing to say, we must be sensible, further to say there are some parts of our institutions that are businesses we run some shops and they need to cover their shops, we run catering

**Commented [s40]:** Important reference to **business like** - here 'this university is not a business but this university must run in a business-like manner,' we are an institution of education our product if you want to use inverted quotation our product, if you like to call it a product 'is changing the minds of the students who come to study with us.'

**Commented [s41]:** Reference to **core mission and not about making profit** - 'that the purpose of education is to graduate students to live lives of consequence,' – that's our objective and that does not necessarily mean make money obviously that is useful'



they need to cover their costs, we have residences they need to cover their costs, so those little sub areas, there are some sub components – of course they are businesses.

**KB:** Let me pick you up on one point that is business-like – an interesting one because it is the first theme that is emerging from my analysis already. A number of interviewees are using the term business-like – what is the difference, why does a university need to be run in a business like way? How would you define business-like?

**■:** Interesting question, I think business-like would be we have to plan our operations mindful of our resources we have to understand and budget correctly the resources we have if we need more resources we need to know where to go and find them and then we have to live within our resources and I would also say that they use this quotation from economics 'not all profit is cost' I say plan to live with our resources that means live with our resources and end up with a little surplus. Because you need that surplus to invest going forward and that's part of your super cost that's not for profit that is part of your costs – if you don't have that you don't have any money for investment so right now for example we are investing in a new virtual learning environment and some other projects, academic development projects, that's actually costing us money, but if we don't do that we won't have products fit for the market in two years' time, we cannot do that if we did not have a surplus from last year. We are building a library out there, the reason we gathered our surplus and leveraged. So when I say business like I mean to plan, to monitor to control, to make promises that you can keep – to keep the promises and be mindful about the satisfaction of your students and your other stakeholders.

**KB:** Is that a shift from the past do you think? Are universities becoming more and more business-like in your opinion for example or will need to?

**■:** Yeah it is a shift from the past because in the past, it depends what you define the past but certainly in Europe right up until recently the student that came to the institution did not pay the cost at the point of consumption, it was the student's parents who paid tax mediated through government given to the institutions there seemed to be no monitoring relationship between the student and the university – that's changing, governments are withdrawing the tax students are paying directly, so the idea of consumerism is going to increase amongst the student population no doubt, there is no doubt about that – that's going to increase, so that is definitely a shift as we rearrange our public finances so the funding is more direct from the student in the past it was skewed – students parent paid tax, tax went to government, government spends the tax on the police, army and education and this and that, it's an unclear relationship between the student and teacher now it is much more direct.

**Code – MU/ /VC/10 =**

**■:** I don't think universities will ever become like businesses I think universities I will make a distinction between universities are higher education providers, universities have got set values and there set of values are about

**Commented [s42]:** Not about bottom line, some parts of institution are businesses – reference to business like and not profit oriented

**Commented [s43]:** What it means to be business like?

**Commented [s44]:** What it means to be business like – 'So when I say business like I mean to plan, to monitor to control, to make promises that you can keep – to keep the promises and be mindful about the satisfaction of your students and your other stakeholders.'

**Commented [s45]:** Policy shift – 'definitely a shift as we rearrange our public finances so the funding is more direct from the student in the past it was skewed – students parent paid tax, tax went to government, government spends the tax on the police, army and education and this and that, it's an unclear relationship between the student and teacher now it is much more direct'

**Commented [s46]:** Will never become like businesses – distinction between universities & HE providers

the development of the intellectual mind the scholastic the collegiate grouping of scholars and a common purpose around developing and pushing the frontiers of knowledge, so I don't think universities will ever be like businesses they maybe more business-like in how they operate in terms of decision making and processing and being conscious for the bottom line but very different to business this university traditionally make a significant surplus that surplus is invested back into the student experience is not about shareholders it is not about dividends, it is a very different mind-set, universities are about where you can debate the big questions in society if you can't debate in universities it is a sad state of affairs so that is what we should be about so I don't think we will ever be about businesses.

**KB:** You use the word business like – what is your interpretation of business like, can you give me an example where a university perhaps wasn't business-like before and has to be business-like today.

█: Well in terms well this week is clearing – how you respond to clearing, how you respond to admissions figures, how you work on targets, how you have to make sure key decisions are made you have a set period of time to do it so I think people will be more focussed on that I think you have got greater shift towards people being responsible for budgets rather than being sort of Soviet style block allocated your budget and told what to do with it, so I think we will see schools and deans of schools or faculties becoming more entrepreneurial be more enterprising and shaping the agenda themselves.

**KB:** And why is that important and why is that becoming more and more accentuated – it seems to be a common theme occurring with many of my interviews?

█: I think it is about shift in university culture about the cost centres faculty, schools, colleges whatever we call them – about them being aware of their markets, their market internationally, domestically, corporately and being able to place themselves in that market whatever it might be as opposed to where the university may place itself in the market, some universities can quite clearly say 'we are the university of X' universities like █ quite a lot of universities like ourselves will have areas that just have a different market place to another school and we have to enable that we have to allow and empower the academics in those areas to drive that agenda if we allow the drive from central needs, our needs the needs of the university you don't get the ownership.

**Code – MU/█/VC/11 =**

█ I don't think that universities are necessarily like businesses in the sense that businesses have shareholders with an equity stake looking for a dividend and where profits and surpluses are distributed amongst the shareholders. Universities by and large even those that are companies – like X is – we are the University of X Limited, so although we have a business structure we are an organisation with charitable objectives, we can only invest and re-invest in the objectives of our constitution which is provision of further and higher education, and so we are not a conventional business model. If I change the question around ever

**Commented [s47]:** Talks about set of values, talks about business like, not profit oriented

**Commented [s48]:** Shift towards people responsible for own budget – an implication of policy shift

**Commented [s49]:** Gives an example of what it means to be business like more entrepreneurial, shaping the agenda themselves

**Commented [s50]:** Talks about shift in university culture – result of policy shift

**Commented [s51]:** Clear quote on why universities are not necessarily like conventional business model – charitable objective hence not profit oriented



so slightly however, and say, are universities and should they be business like if you take business like to mean deploying resources effectively looking for academic investments that show there best return, managing their finances in an appropriate manner to facilitate the work, then I think universities should be businesses like, and I think the evidence is increasingly that universities are trying to be business like. And those that do have good sound business principles will probably find themselves in a more robust sustainable position currently given the transition that we are in with the new fee regime.

**Code – MU/ /ED/12 =**

Well I think that is true, I think the days when universities were cash rich perhaps could be a bit laissez faire I imagine are long gone in terms of being more business-like by being financially driven and more financially aware then that's certainly the case. And I don't think it is a bad thing to be honest, I think in terms of prioritising what needs to be done and ensuring that resources goes to where the best return however you define return I think is the way forward, and it's going to go more and more down that road.

**KB:** So why do you think that has happened do you think universities are being forced down that route?

I think it is resourcing issues as financial resources have got tighter, I think as resources keeping shrinking then I think universities are being forced into this apparently as that way that they can ensure they survive, the days where universities or the old poly's had 3 or 4 accountants in the whole institution and you hardly mentioned budgets or money, now I think that is the cycle that drives everything else in terms of the educational offer drives the educational offer through can it make a return is it going to use the universities resources better than any other use.

**KB:** So do you think it is going to get more exaggerated more of an important driver?

I think the answer is yes, arguments the other way round talk about quality and academic freedom don't they? And quality should drive what universities should do in terms of what they are academically offering which is true, but with all the will in the world you could have the best highly rated Q&A courses but you could still go to the wall so I think it is not a case of kind of losing sight of the academic side of things I think it is actually almost taken as a given that quality now as in any other product that you need a high quality product if it isn't it's not fit for purpose so one or the other it is quality but it is also an eye to reuse resources.

**Code – MU/ /PVC/13 =**

Right, I will probably go back to the original premise that you talked about – students as the customer, because I think that is quite a dangerous notion, which came before the question about universities as businesses, it's hard to answer the question about universities as businesses without referring to this notion

**Commented [s52]:** What it means to be business like – business like to mean deploying resources effectively looking for academic investments that show there best return, managing their finances in an appropriate manner to facilitate the work, then I think universities should be businesses like, and I think the evidence is increasingly that universities are trying to be business like. And those that do have good sound business principles will probably find themselves in a more robust sustainable position currently given the transition that we are in with the new fee regime. Policy shift

**Commented [s53]:** Policy shift implication – universities were cash rich

**Commented [s54]:** Business like – 'financially driven and more financially aware'

**Commented [s55]:** Business like – 'resources go to where the best return'

**Commented [s56]:** Implication of policy shift – shrinking and tighter resources, now budgets and money cycle drives everything

**Commented [s57]:** Business like – taken as given that you need a high quality product – interesting use of word 'product' – also eye on best use of resources 'fit for purpose'

of students as customers, I think universities have a business element to them clearly we have to be sustainable financially we have to operate in a business like way we have to ensure that we spend money appropriately don't waste money, all of the issues that come into play that you would expect with any government input because even if it is student financed in the future it is still government supported and therefore we do have a responsibility to the way in which we spend our income from students, so it is that balance I think between business-like and accountable, I guess that is the issued being accountable for the spend but that students purchase a service or an award, that's the difficulty is when you get past that issue, they purchase in a sense an experience but they do not purchase an award.

I think sometimes students feel that they are purchasing an award and there is a danger than can behave as if they are purchasing the award and not purchasing the opportunities to allow them to achieve an award so I think it is balancing the business-like with expectations and responsibilities of students, so if we talk about ourselves as being businesses there is a danger you get into that language and that expectation – I buy something I get it, and it isn't quite like that. We have being doing huge amount about partnerships. So if it has any business like connotation perhaps it is more the social enterprise end where people work together to achieve things so I think it could be a lot of parallels with social enterprise. But I think by going for the straight commercial end of it is quite dangerous.

**Code – MU/ /DOM/14 =**

I think with the introduction of higher fees and the potential of an unrestricted market in future years that has made universities wake up to what they think traditional business concerns of competition around price, value for money the money positioning the kind of marketing issues and the issues that are called to business in terms of how are we different to everyone else, the difference for the university sector currently UCAS is a great supplier of a pile of undergraduate students, it's built in the culture of the country almost you do you're A levels then you are funnelled towards university and the various businesses within the university sector carve up their market and get a fair share of those students, you might argue at this but they probably had to work very hard to get those students whereas other segments of the market are part time, where there isn't that same kind of funnelling – you have to work much harder to get students.

So it has been an unusual business model in that the government has set the total number of customers, it's set the institution customer numbers and it's also set the price so it is a major business issues have been out of the universities control in the past, but they are still out of the universities control largely we seem to be moving towards this situation where actually we could be charging different fees the government still has to sort out whether the capacity will be restricted or un-restricted one carved up in a different way.

So the good things that have come out the change are that universities have to think in a more business like way, in that how much does it cost to deliver those courses,

**Commented [s58]:** Policy shift implication – universities as businesses linked to student as customer notion – dangerous notion – why

**Commented [s59]:** Business like- 'spend money appropriately don't waste money' and accountable for the spend

But students

'they purchase in a sense an experience but they do not purchase an award'

**Commented [s60]:** Business like connotation – 'parallels with social enterprise'

'balancing business like with expectations and responsibilities of students'

'going for the straight commercial end of it quite dangerous'

Language i.e. we are a business creates expectation 'I buy something I get it, and it isn't quite like that' – use of word partnership

**Commented [s61]:** Implications of policy shift – universities wake up to think of traditional business concerns

**Commented [s62]:** Unusual business model – govt. set total number of customers, price, restricted or un-restricted market

implication – pointing to uncertainty – policy shift

they have to have more sense, more robust information about the actual costs of delivery – what their profits are although we don't talk about profits, and the margins that they generate and also a sense of customer satisfaction I guess, but obviously balancing that with the fact that we know a university experience isn't just a case of the customer pays there money and gets a degree, they have to put lots of efforts in, it's a partnership arrangement rather than just a simple transaction so I think initially lots of universities panicked about that and thought they were going to have to go too far into what they imagined was a customer transaction culture but I think they ought to have the sense to say no we don't have to do that, certain areas yes we do for the quality accommodation pack, the quality of queuing up for your pizza and chips at lunch time, the speed which you respond but it is not the case academically that you have to give a student everything that they want and the customer is always right – if they want lectures at 9.00 at night then they must get them, you have to strike this balance of what you do as an academic credible institution and what the new high fee paying customer has the right to expect, I think gradually that is calming down a bit.

So generally I think it is good because it has brought a new emphasis and new focus on all the aspects of business of universities, so I welcome that and I think from a marketing point of view there are still a large amount of students that won't get a place this year at university, I think in previous years of 2 or 3 hundred thousand qualified A level students did not get a university place so demand far out stripped supply of places, although in terms of the economics of that is a good position of university suppliers to be in because even if there is a dip in the applications because of the price and the reaction to the price I doubt all 3 hundred thousand people are going to disappear and decide not to go to universities, so I think that should be a bit of a cushion for universities moving into the new fees regime.

**Code – MU/ /Dean/15 =**

**(MU)** We are completely opposed to that we knew probably 6 or 7 years ago the writing was on the wall in a sense that we had to be something distinctive, we could not be a small version of university Y – why would we need two of those in a City – so we knew we had to be something distinctive, and we resisted quite a lot government pressure I think, to increase, to going a certain way, to not offer particular subjects, it would have been very easy for us a few years ago for example, to close the music department but we have maintained that, we have maintained smaller arts and humanities subjects, some of the other subjects across the university subsidise those.

**KB:** That's very important to you?

**:** It is.

**KB:** Why is it important?

**Commented [s63]:** What is means to be business like? – costs, 'what their profits are although we don't talk about profits', customer satisfaction

Balancing with

Getting a degree 'a partnership arrangement rather than just a simple transaction'

**Commented [s64]:** **Implication of policy shift** – 'new emphasis and new focus on all the aspects of business of universities'

Interesting distinction – universities as businesses or business of universities 11

Demand still outstrips supply – cushion for universities moving into new fees regime

**Commented [s65]:** Universities becoming businesses, businesses becoming universities and therefore the business of universities - captured by 'business like'

**Commented [s66]:** Completely opposed to the idea of universities as businesses

**Resisted shift** – government pressure to go a certain way

Therefore cross subsidise to be distinctive 'did not want to be a small version' of a bigger university

■: Well we think we need to be a university – need to offer a range of subjects, we need to be able to give students the university experience. Part of the university experience is about having a nice campus, we have put a lot of effort into the campus, we have a lot of new student focus areas, we want the students to be here, we have opened up particularly in the last few years some buildings that really invite students to sit, if I wanted to teach a student a subject like business for example, in a room without any facilities I can just teach, that doesn't really give them a university experience doesn't broaden the sense, it doesn't open them up to student society, doesn't open them up to – we have a service leadership award – where students go out and work with SOS in the summer – with refugees out in India in the slums of America, and that's the whole bit about educating the student in the round.

**KB:** My follow up question to that would be with the cap you have placed on student numbers is that a sustainable business model?

: It has done we are currently in the best 25% of universities in the country financially and we have our reserves so we are financially very stable, and that's been in effect with the university cap since 2007 – so for the last five years we have had that – we do retain a surplus all the time.

**KB:** Do you think you will need to look at other sources of income to sustain that level of focus?

: I think at the moment in line with other universities we only get about 70% of the income anyway from the university do we do other enterprises – we have a hotel on site, we have an enterprise unit that I run from the faculty – any money we bring in goes back into the students, the university is a charity at the end of the day. All the new buildings you have seen we have not borrowed anything so we don't have debt, we are not in a situation and again using University Y as a comparison they have a lot of large buildings that are very expensive to maintain, we could close some courses here quite easily without the infrastructure being affected.

**KB:** How does the history of the ■ heritage of the university sit with the need to be business-like for example, is there a tension there? Business-like is that a fair sort of term to use?

: I think the senior management team are very business-like academics are not necessarily so but they don't need to be, we are very tight on systems, controls, University Z which started off in a similar way to us they are a little bit bigger than us perhaps 25% bigger but they probably have about 80-90% more senior staff than us, we want the money where the academics are so our focus is on the academics.

**Commented [s67]:** Talks about being financially stable, diversified income stream, reinvest, no debt, university is a charity – **not profit oriented**

**Commented [s68]:** **Business like** – very tight on systems, 'we want the money where the academics are so our focus is on the academics'