The Business of English Universities: business models and curriculum

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Abstract

In some highly publicised cases in English universities well-established disciplines and departments are under threat of closure for financial reasons. The higher education curriculum in England appears to be increasingly shaped by financial pressures.

This study argues that universities are tending to be run as businesses, and its central aim is to reveal the business models within. These can be a useful 'lens' through which to view developments in higher education.

An overview of the historical development of the curriculum in English universities is presented. The literature on business models and on higher education curriculum change is examined, and a relationship between these two dimensions is developed.

In order to discern the business models a qualitative analysis of twenty English university strategic plans is performed using Ritchie & Spencer's (1994) 'Framework' methodology. Two new business models that have explanatory power in the university context are identified, along with two other 'standard' models that are also apparent. These four models might provide a general template that can be used to assess and understand university operation.

Some consequences of the business models are discussed. The inquiry questions the possible future direction of higher education in England in the light of these consequences.

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Abbreviations and Acronyms

CAT	College of advanced technology
CVP	Customer value proposition (business model)
CVCP	Committee of Vice Chancellors and Principals
DFES	Department for Education and Skills
FEC	Full economic cost (recovery)
GDP	Gross domestic product
GNP	Gross national product
HEFCE	Higher Education Funding Council for England
HEI	Higher education institution (university)
HEIF	Higher Education Innovation Fund
KPI	Key performance indicator
OECD	Organisation for Economic and Co-operative Development
OED	Oxford English Dictionary
QAA	Quality Assurance Agency (teaching)
RAE	Research Assessment Exercise
R & D	Research and development
SISTER	Special Institutions for Scientific Technology Education and Research
UA	Universities Alliance
UGC	Universities Grant Committee
VLE	Virtual Learning Environment
UMIST	University of Manchester Institute of Science and Technology
USP	Unique selling point

Contents

List of Tables, Charts and Figures

Chapter One – Introduction

1.1 The Context

Insight into the dynamics of higher education is timely if not overdue, given the many changes to higher education that have been manifest in recent decades. In England these changes predominantly stem from government policy, and affect the funding, size, curriculum, and ultimately the perceived role and purpose of higher education in the early twenty-first century. Higher education globally has been a 'growth industry' since the Second World War (Wolf, 2002), but the period 1987-92 saw an expansion of the UK higher education system such that the number of students almost doubled (Scott, 1995). This expansion is comparable in its proportion to the growth that began around 1960, was spurred on by the 1963 'Robbins Report', and by 1972-73 had approximately doubled the number of students in the higher education system (Bissett, 2006; Mayhew *et al*, 2004).

In 1961 there were approximately 113,000 university students in the UK; by 1980, after the provisions of the Robbins Report and subsequent expansions had worked their way through, there were around 300,000 (Collini, 2003). However from the mid-1970s a new and distinctive factor appeared – the desire of successive governments to curb public spending (Pratt, 1997; Scott, 1995). The Robbins provisions had themselves been partly trimmed by the Wilson governments in the 1960s, but this new factor was of greater magnitude and took on a semi-permanent – one might say strategic – presence. It continues to shape higher education in the present, which has seen *per capita* state funding decrease by some 40% since the 1980s. This reduction in higher education funding has been accompanied by an increase in enrolments (Altbach and Lewis, 1996). The New Labour government-inspired target of a 50% participation rate of eighteen to thirty year-olds has heightened the pressures and has generated new tensions as the participation rate has grown, so far to 45% (Browne, 2010). Some commentators have characterised this as a shift from 'élite' higher education to a 'mass' higher education system (Mayhew *et al*, 2004; Scott, 1995; Smith, 2006), or a 'universal' system as participation approaches 50% (Trow, 2010), or even a 'radical transformation' of higher education (Fulton, 1996: 391). This development has not only raised many

practical problems – logistical, pedagogical, financial and managerial – it poses the question of the role and purpose of higher education in society. This issue of role is far from being an implicit one: the same Government that set the 50% participation target simultaneously attempted to redefine the role and purpose of higher education in its 2003 White Paper *The Future of Higher Education* (DFES, 2003). In this view of higher education, its major role is contributing to economic activity, or 'harnessing knowledge to wealth creation' as the Secretary of State puts it in his endorsement of this new vision (*ibid.*:2)

One consequence of such change is a wave of literature critical of the new phenomena appearing in higher education (Bottery, 2000; Collini, 2003; Collini, 2012; Deem *et al*, 2007; Docherty, 2011; Holmwood, 2011; Walker & Nixon, 2004). This critical discussion often flows into a questioning of the purpose of higher education. Frequently such authors re-assert the 'social good' dimension of higher education against the more utilitarian proposals advanced by governments over the last few decades. Much of this literature critiques the issue of *how* teaching and research take place, but it has less of an emphasis on *what* is taught and researched. Yet the curriculum of higher education can hardly be unaffected by significant changes in government policy and the attempt to redefine higher education's purpose, and is central to the issue of what universities are for.

1.2 The Curriculum in UK Universities – Reason for Concern

What is taught in UK higher education has changed greatly since the Second World War. New disciplines and the explosive growth of science and technology are obvious features, but public policy and the wider cultural and commercial environment all have their effects. There are pressures both subtle (Sennett, 2006), and deliberate (Bottery, 2000), to 're-tool' higher education so that it may flexibly service short-term and fast-changing commercial needs. The quasi-market in higher education combined with anxieties about revenue has thrown into question the assumption of a broad, 'liberal' curriculum, an assumption that generally seemed valid throughout the twentieth century. This is most graphically demonstrated by surprising and unwelcome threats to the existence of well-established university departments. For example, to identify but a few amongst many more, departmental closure has threatened at Exeter

(departments of Chemistry and Music in 2005), Sussex (Chemistry in 2006), and Durham (East Asian Studies in 2004). This last department was first choice for 55% of all UK higher grade candidates in Chinese and Japanese, and its closure brought complaints from both the Chinese and Japanese embassies in London (Guardian, 2007).

1.3 Why Business Models? A Research Rationale

This research originally began with the single question 'What are universities for?'. Like other interesting questions, this one has occurred near simultaneously yet independently to several authors (Bissett, 2008; Boulton & Lucas, 2008: Collini, 2012), the first two publications appearing in the same month, the last less than a month before this dissertation was initially submitted. Whilst this is an easy question to state, its ramifications and implications are extensive and complex. An answer is hardly straightforward to distil (Blake *et al*, 1998). The question is posed against a backdrop of great and often rapid change in higher education, and any putative answer to the question will not only be provisional, but highly contested. The investigator found Silverman's observation painfully apposite when attempting to formulate a research strategy:

> … researchers at the beginning of projects often make two basic errors. Firstly, they fail to distinguish sufficiently between research problems and problems that are discussed in the world around us. The latter … are at the heart of political debates and fill the more serious newspapers … although social problems, like unemployment, homelessness and racism, are important, by themselves that cannot provide a researchable topic (Silverman, 2004: 60)

For the investigator and his academic colleagues in an English university the changes in higher education were indeed very much the stuff of discussions 'in the world around us', and have regularly appeared in the content of newspapers. Silverman continues:

> The second error … is sometimes related to the first. It arises where researchers take on an impossibly large research problem. For instance, it is important to find the causes of a social problem like homelessness, but such a problem is beyond the scope of a single researcher with limited time and resources. Moreover, by defining the problem so widely, one is

> usually unable to say anything at great depth about it. It is often helpful instead to aim to say a lot about a little problem. (Silverman, *ibid.*)

Keeping these thoughts in mind, the research question begins to resolve itself into 'a little problem' when one scrutinises the prevailing official discourse about higher education such as that promulgated in the 2003 White Paper mentioned above. The problem now appears to involve investigating the effects of such policies. This is still not quite 'a little problem' – the effects are multifarious and include the place of higher education in the wider world and its proper role therein, the nature and purpose of the research that is performed in universities, the nature of academic professionalism, the management of higher education, and the kind of pedagogy and curriculum that are seen as relevant or desirable. However, a helpful consideration is that of the impact of different higher education business models on the curriculum. A business model is 'the company's method for making money in the current business environment' (Wheelen & Hunger, 2006: 110). Viewed through the lens of the business model some important aspects of the changing nature of higher education should be revealed. This should then facilitate a discussion of the role that higher education plays in wider society. That discussion is, however, a larger and different question to the one at the centre of this investigation.

The business model in higher education may have important effects in several dimensions, amongst which are:

- The curriculum;
- The future direction and role of universities;
- Funding of the higher education sector;
- The management style within higher education institutions;
- The nature of academic professionalism;
- Pedagogy.

These important dimensions are all worthy of consideration and are ultimately interlinked, but the focus of this inquiry will be along the first dimension – on the changing nature of the curriculum. In this investigation business models will be identified by analysing the 'strategic' or 'corporate' plans of a sample of universities. The effects of the business models upon the curriculum will be

examined, and an attempt will be made to advance 'causal process theories' (Walliman, 2001) in this domain.

It does seem valid to look for business models in higher education since, as many authors remark, universities are increasingly being run as businesses. For example, amongst similar testimony arising from the 1996-97 National Committee of Inquiry into Higher Education – usually referred to as the Dearing Committee – Barnett quotes one anonymous manager of a 'specialist institution' thus: 'Over the last ten years, higher education has become more of a business, albeit one that is hemmed in by complex controls' (2007: 137). Indeed Taylor & Steele observe that 'the language and discourses of higher education have adopted the terminology and assumptions of the business world (students as 'customers', Vice-Chancellors as 'Chief Executives' etc.)' (2011: 11). Therefore it should not be surprising that the chair of the aforementioned Inquiry could refer in a matter-of-fact way to overseas students as 'the international business of higher education' (Dearing, 2007: 179). As will be seen in Chapter Two, this differs markedly from earlier values, for example, those expressed by the first vice-chancellor of Sussex University at its founding. Further evidence supporting the view that universities are operating as businesses is adduced throughout this investigation.

1.4 The Contribution to Knowledge

Whilst there is a considerable literature concerning issues such as pedagogy, academic professionalism, leadership, and managerialism in higher education, there is a dearth of literature concerning the business models employed within higher education. Apart from a handful of papers discussing the implications of e-learning which sometimes couch matters in terms of 'a new business model', no writing has been found which uses the term in the strategic sense intended by this study. A few books from the US address an economic-theoretic view of higher education – see for example Belfield and Levin (2003) and Raines and Leather (2003) – and from the UK see Wolf (2002). But these authors are analysing the picture from the university outwards to the wider society, not looking within the university system itself, and they do not use the business model concept. Thus it is believed that the present study is novel, and attempts to make an original and unique contribution to knowledge. The specific

contribution to knowledge is twofold: firstly business models in universities are identified and described; secondly their effects on what is taught and researched – the curriculum – are elaborated.

This contribution should help to enrich an understanding of the nature and state of higher education, and hopefully, will yield an increased capability to foresee its future directions and needs. It is envisaged that this will have many direct, practical applications, not least of which is the possibility to assist individual institutions to operate with some reflexivity and to better plan their future. These knowledge contributions will also have relevance in the realm of formulating public policy. Thus apart from researchers it is hoped that the audience will include practitioners and policy makers, although Bassey (1995) cautions that the imperatives of the latter are overwhelmingly ideological rather than driven by methodical research.

In summary, the inquiry will help in the discernment of trends in the general business environment of higher education and also of sources of resistance to these trends. This will have consequences for practical questions such as budgeting, identification of future business, and management of both the higher education sector and of individual institutions within it. It also poses questions around universities' fundamental contribution to society

1.5 What are universities for?

Returning to the original research question, this profound dimension emerges from consideration of the recent history of UK higher education. The nature and role of higher education is of considerable interest to society at large (especially if around half the population of that society will participate in it). This study will contribute to the discussion of the future of higher education. As mentioned above, recent pressures have been towards a more instrumental and utilitarian view of UK higher education, wherein its dominant contribution is regarded as being towards economic activity. By contrast, earlier writers (Wyatt, 1990) have emphasised the contribution of higher education to the general 'cultural level' of society – especially in a democratic, 'reflexive' society, (Gallie, 1960). Collini identifies 'socialisation in civic values' as part of this nexus of citizenship (2003: 6). Yet other authors have valorised the transformative effect that study at a

university can have upon the individual, 'to change one's values and commitments' (Blake *et al*, 1998: 17). The twin questions are posed, then: what will the future role of higher education be, and what *should* it be?

The first of these twin questions can be answered, at least in part, and for the near future, by the findings from this present inquiry. The second of these intertwined questions relates to the fundamental values that inform higher education, but that is a much larger topic beyond the remit of this investigation. Concern has been expressed that higher education will be reduced to a training academy for the future workers, producers and consumers of a globalised economy (Bottery, 2000; Collini, 2012). (From the USA Slaughter and Rhoades (2004) raise the same argument). Other writers have emphasised higher education as providing a site for critical thinking, and as both a repository and a vector for refinements in civilised values and the enhancement of citizenship (Barnett, 1990; Gallie, 1960; Wyatt, 1990). The influence of the business models, and especially their effects upon the curriculum, may have powerful effects in these dimensions. This study should help to illuminate these.

1.6 The Aim and Objectives of the Investigation

The aim of this research is to investigate the nature, in particular their effects on the curriculum, of the business models that institutions of higher education in UK have adopted or are moving towards in the near future. It is hoped that this will assist in the development of an up-to-date understanding of the nature of higher education in the UK, in both the descriptive sense (how it is) and, implicitly, in the prescriptive sense (how it should be).

Two objectives may be identified:

1) To analyse the corporate plans of a representative subset of UK institutions in order to identify the respective business models;
2) To develop an understanding of the impact of these business models on higher education.

1.7 The Author's 'Positionality'

The author's perspective and motivation for this work are briefly sketched here. I went straight from school in the early 1970s to study a science degree (Electronics) in a 'plate glass' university (Kent). I was a member of only the ninth undergraduate cohort of that university, a beneficiary of the Robbins Report, near the peak of the expansionary wave that Robbins provided for, the first member of my family to gain a degree. Holmwood sees Robbins as proposing that higher education is a 'right', in a continuation of the 1944 Education Act's proposal of secondary education as a right (2011: 6).

My education in the natural sciences had left me with a residual positivism and a narrowly specialised, disjointed and rather perplexed grasp of science; at no point did I encounter the philosophical basis for science, or even gain exposure to a general overview of research methods. This deficit began to be remedied some twenty years after graduation when I read *The Structure of Scientific Revolutions* (Kuhn, 1970). Meanwhile I had returned to higher education nine years after graduation by following a part-time master's degree (Computer Studies) at a major polytechnic (Sheffield City Polytechnic). Half way through this second degree I became employed in higher education as a research associate for three years at the University of Manchester Institute of Science and Technology. I went from there to a lecturing job at Sheffield City Polytechnic, a post now in its twenty-fourth year. Thus the bulk of my life has been spent in the higher education system, either as a student or as an academic. I could not fail to be aware of, and alternately intrigued and frustrated by, the impact of government policies for higher education. In 2003 I read a thought-provoking article by Collini, a professor of intellectual history and English literature at Cambridge University, in which he analysed and sharply critiqued the government White Paper of that year, *The Future of Higher Education*. This inspired me to attempt my own analysis of the highly formative system that had provided a large part of my education and fully three-quarters of my working life. So this investigation is partly an attempt to understand the past and the future, of both my own life and, similarly, the lives of thousands of others who have experienced the same system.

My stance is that higher education is a place where interesting work – often of an exploratory character – is done, and where people learn interesting things.

The unpredictable nature of such intellectual activity is manifest in scientific discoveries and cultural activities, and I believe that too much extraneous interference can be both counter-productive and harmful, a view strongly propounded by Collini (2012) and others. This is especially true when the interference has instrumental intent. Berdahl puts it well:

> it is in fact impossible to measure the relative value to the nation of the various types of university work; the Chaucerian scholar's contributions to Britain's vitality is not, like that of the scientist, translatable into pounds, shillings, and pence, nor can it be exploded over Christmas Island (Berdahl, 1959: 4)

This is a reference to the UK's hydrogen bomb tests in the Pacific, in the 'nuclear age' when 'it is axiomatic ... that the value of a university physics department can often surpass that of an aircraft carrier' (*ibid.*: 2). However, it might be added that in physics too, non-instrumental 'blue skies' research is also vital (Moriarty, 2011). Berdahl, for now, can have the final comment: 'the state must realize that in dealing with fragile institutions like universities, outside interventions in the name of utility ... may actually "kill the golden goose"' (*ibid.*: 4).

1.8 Publications Produced

As a work-in-progress this dissertation has produced three conference papers (Bissett 2006a; 2006b; 2008) and one book chapter (Bissett, 2009). Further publications are intended now that the work is fully completed.

1.9 The Structure of this Dissertation

Chapter Two discusses the evolution of higher education and its curriculum in England. Indirectly this deals with different conceptions of higher education. There is also an elaboration of the general historical backdrop of the higher education system in England.

Chapter Three outlines the two important concepts of business models and of curriculum change and places the idea of strategic planning in context.

Chapter Four discusses the theoretical framework and the method of the investigation. The approach adopted is explained and justified. The theoretical standpoint is that of critical realism, the epistemology is social constructionism, and the method is a form of qualitative research known as 'Framework', here used for documentary analysis of university strategic plans. An overview of the sample frame is presented.

Chapter Five presents the findings of the empirical work that has been carried out. This primarily consists of an analysis, using 'Framework', of twenty English university 'strategic' or 'corporate' plans covering the period beginning 2004 to, typically, 2010, in order to understand the business models therein.

Chapter Six contains a discussion of the findings from the empirical work presented in Chapter Five. The implications and consequences of the business models for the way that the curriculum is impacted are drawn out. Some international comparisons are made. Some suggestions for future research to develop the present work are outlined.

Chapter Seven consists of conclusions from the inquiry; it summarises the findings and their implications. There is a short Postscript addressing later developments.

An appendix contains two exemplar corporate plans used in the study.

Chapter 2 – The English University: the history of an idea

This chapter presents a historical view of higher education in England from the post-Second World War period up to the present. Effectively this forms a history of how 'the idea of the university' has changed up to the present day. The chapter follows a broadly chronological structure.

The chapter has two main aims: firstly, to establish a 'baseline' concept of the broad, liberal curriculum and to illustrate that this has been accepted for many decades; and secondly, to show how this has 'played out' in England over time, being always subject to historical circumstances and changing ideology.

Four themes are of particular relevance to the present study:

1) The emergence of the idea of the 'liberal' university possessing a broad curriculum. This conception appears to be based less on a coherent shared ideology then on a certain commonality of values shared amongst various sources (Wyatt, 1990);
2) The rise in state involvement with, and greater direction of, higher education. State planning, in particular, was given a large impulse during both of the World Wars, and state contribution towards the funding of universities in England has steadily increased. Concomitant with this governments have increasingly sought an alignment of both the research agenda and the taught curricula not only with the needs of wartime but, more insistently, with economic imperatives;
3) An omnipresent concern, especially on the part of governments, with the contribution made by HE to national economic performance, particularly in comparison with other nations. Very often the focus of such concern has been education and research in science and technology;
4) The relative, but increasingly circumscribed, autonomy of English universities as their activities are shaped by government funding, courtesy of such mechanisms as the University Grants Committee (UGC) later supplanted by the Higher Education Funding Council for England (HEFCE), along with the various research councils.

These four themes play against the backdrop of an enormous expansion in higher education in England and the rest of the UK.

2.1 The Early Twentieth Century

Calvocoressi (1979: 159) explains that at the start of the twentieth century there were merely 20,000 university students in the UK, and of this small number Stewart (1989: 34) records that in 1912-13 there were fewer than 1,500 full-time students of engineering and technology in England and Wales. He goes on: 'Combining this with a total of a further 1,200 or so full-time students in the technical colleges gives a total of approximately 2,700 as compared with 11,000 in the German Technishe Hochschülen'. Such disparities form another sub-theme in this study, appearing from the nineteenth century through to the twenty-first, namely the anxious surveillance of UK higher education performance and competitiveness against the major international HE systems, as discussed by Collini (2003) and Wolf (2002).

In the ancient universities:

> Classics and mathematics dominated the scene at Oxford and Cambridge until the 1890s. Three-quarters of the fellowships were in these two subjects, and there were very few scholarships and exhibitions for undergraduates in other subjects (Stewart, 1989: 15)

Six 'civic universities' at Birmingham, Manchester, Liverpool, Leeds, Sheffield and Bristol were formed in the later decades of the nineteenth century. These six universities at had their roots in various movements such as specialist societies and professions, Mechanics Institutes and Working Men's Colleges, and also the University Extension movement (founded at Cambridge in 1873). But the really distinctive factor in the formation of the new civic universities was their promotion and funding by a wealthy and influential local benefactor, along with municipal support. Essentially these universities were spawned by the industrial revolution of the hundred or so years leading up to the 1850s. The leanings of the benefactors – who were wealthy industrialists – and of local interests that favoured certain business sectors and industries, gave a distinctive and more instrumental character to the curriculum. The sciences and engineering subjects were prominent, offering in the late 1870s 'a broad curriculum in the arts, natural and biological sciences, mathematics and politics' (*ibid.*: 12)

Six further university colleges were also established at Nottingham in 1881, Reading in 1892, Southampton in 1902, Leicester in 1918, Exeter in 1922, and Hull in 1928. These university colleges mostly prepared their students for the external degree of the University of London, although they would all become universities awarding their own degrees in their own right later in the twentieth century.

At this point many of the foundations of the present university system can be discerned – the ten universities in England included Oxford, Cambridge and the six civic universities, along with those of London and Durham.

Governments 'began to grant regular funds to universities and colleges in 1889, mainly for the civic foundations' (*ibid.*: 20). The grants were made in quinquennial periods by *ad hoc* committees until a permanent Advisory Committee on Grants was formed in 1906. This was the University Grants Committee (UGC) in embryonic form; the UGC was finally formed in 1919 (Berdahl, 1959). This systematised government subventions to the universities, and in 1923 Oxford and Cambridge commenced receiving financial support from this source having hitherto remained aloof. This 'arm's length' funding mechanism wherein the UGC provided a buffer between universities and government, reinforced by the block grant allocation of funds is much admired by Berdahl, who says that 'the University Grants Committee appears to have been the best possible means of reconciling the claims of national needs and university autonomy' (1959: 189).

Whilst there was recognition at government level of the need for greater funds for HE following the First World War due to the need for post-war renovation and for coping with returning veterans, there was also an acceptance that autonomy should be preserved. To a large extent this autonomy was formally maintained, but the story is not so simple. University activity began to be shaped by government requirements for 'national survival' during the Great War. Even at Oxbridge 'During the first world war the sharp donnish distinction between applied and pure research disappeared in the interests of patriotism and national survival' (Rothblatt, 1976: 186).

> Wartime conditions forced improvisation and applied research in all survival sciences, including engineering, fuel technology, aeronautics, textiles, metallurgy, the chemistry and physics of explosives. It also produced research in agriculture and fisheries and the coordinated studies of nutrition, chemistry, soil science and marine biology (Stewart, 1989: 21)

Some of this research work continued after the First World War, leading for instance to the formation of the Medical Research Council in 1920 and that of the Agricultural Research Council in 1931.

A new Department of Scientific and Industrial Research (DSIR), responsible to the Privy Council, was formed by the government in 1916, in conjunction with learned and professional societies, research institutes and the national research boards. The chair of its Advisory Committee had previously chaired the Consultative Committee of the Board of Education which had been distributing government grants to universities. This illustrates the increasingly close link between government funding and the universities. The Board of Education foresaw the need for expansion of the universities following the Great War, and with it the need for the UGC. Stewart (1989: 21) notes that this contributed to the creation of a *system* of HE, supplanting the previous patchwork of independent universities, be they Oxbridge, London, Durham, or the civic institutions.

2.2 The Inter-War Years

After the significant innovations and growth of the preceding hundred or so years, higher education in the UK saw slower change between the two world wars. The 'broader range of humanities and the beginnings of social sciences' accompanying the 'wide changes in the curriculum leading to the appearance of sciences and engineering' (Stewart, 1989: 19) were solidly established by the inter-war decades. The population growth of England and Wales from 8.9 millions in 1801 to 32.5 millions in 1901 (*ibid.*) had slackened in pace. What new institutions there were after the First World War tended to be consolidations or upgradings of existing colleges. For example, the London Mechanics Institute established in 1823 became Birkbeck College of the University of London in 1920 (*ibid.*: 30).

By 1930 the DSIR had marshalled applied science, with 'inter-university research programmes, grants awarded to young researchers' and research projects (*ibid.*). This is not surprising given that 'the contribution of British industries to the war effort through science applied to industry was indispensable to national survival' (*ibid.*).

2.3 The Second World War

It was recognised both at high government level and by the universities themselves that the coming second war would demand scientific and technical resources, and that the universities would supply much of this.

> During 1938 and 1939 many inquiries and shadow arrangements passed between the government ... the UGC and the CVCP. Early in 1939 the CVCP sent a memorandum outlining the services in science, technology, medicine, agriculture and administration which universities might offer. Lessons from 1914-18 had been learned. (Stewart, 1989: 41-42).

Despite this cognisance, the level of preparedness when compared with other nations did not seem auspicious, as the table below conveys:

Country	Population per University Student, mid-1930s
USA	215
Switzerland	387
France	480
Sweden	543
Holland	579
Germany	604
Italy	808
England	1013

Table 2.1 adapted from Stewart (1989: 23)

In 1939 1.7% (50,000) of the 18-21 age group attended British universities. By 1945 with the consequences of the war this had fallen to 38,000. During the Second World War itself:

> Logistics for fighting had to be supported by political and economic planning and by working solutions for vast problems

> of industrial mobilisation, priorities and rationing in the widest sense, and of civilian defence and morale. Scientists and other specialists in universities, technical colleges and industry were directed to war service through relevant work in the armed forces or through the reserved occupation categories in the civil service, industry or elsewhere, and higher education ... had to continue as best it could with remaining staff, especially women, or the recall of retired persons and by temporary appointments. The combination of wartime crisis and the concentration of technical, scientific and administrative talent in the compulsory service of national survival, produced an urgency of response to problems of all kinds, and sustained acceleration of invention, discovery and improvisation such as had not been seen in any five years before (Stewart, 1989: 35).

After 1945 existing universities took more students to cope with the numbers of demobilised service personnel. Although the British equivalent of the USA's 'GI Bill' was much smaller in both scope and scale, it did place 'several thousand returning servicemen and women on the path to a degree without the normal pre-entry qualifications' (Hennessy, 2006: 160). Hennessy goes on to remark:

> Quite apart from its place as an act of gratitude to those who had placed their lives at the disposal of the state in 1939-45, the war had heightened an awareness at all levels of the need for trained, graduate manpower. (*ibid.*)

The increase in student numbers at the end of the Second World War is striking:

> Oxford, for example, where only one new college for male undergraduates was founded between 1714 and 1950 and which kept its student body around 3500-4500 for half a century, increased it to 7000 after the war (partly in the expectation that this was a temporary expansion ...) (Calvocoressi, 1979: 160)

Overall in the UK, 'the number of university students increased from 50,246 in 1938-9 to 76,764 in 1947-8, a growth of over 50%' (Hennessy, 2006: 161). By 1950 this had risen to more than 90,000 full-time students attending twenty-six universities (Hennessy, 2007).

The universities emerged from the Second World War with a heightened degree of government involvement, although the mechanism of the UGC still preserved

a measure of autonomy (Berdahl, 1959). However, as with the First World War, there was an increased pressure to be responsive to perceived national needs:

> The English universities were in 1945 few and self-governing. They set their own standards, gave their own degrees, and had preponderantly male student bodies. They became within a generation many, more mixed and heavily dependent on public money – for about three quarters of their budgets. This change was brought about by a study of the needs of the nation as a whole rather than by any change of attitude about the entitlement of the individual to higher education. (Calvocoressi, 1979: 159)

Calvocoressi goes on to remark: 'The tendency in the USA ... to open higher education to something like half the population, was neither practical nor much favoured in England' (*ibid.*). Consequently at the time of the Robbins Report of 1963, although there were 118,000 full-time students in 31 universities in the UK, only some 4% of the population entered university education (*ibid.*: 160).

The table below of post-war student numbers (in round figures), with 1938-39 and 1960-61 added for comparison, shows the surge in numbers following the end of World War Two.

Year	**Total UG 1000s**	***% rise***	**Total PG 1000s**	***% rise***	**Total PG + UG 1000s**	***% rise***	**First-year UG 1000s**	***% rise***
1938-39	47	-	3	-	50	-	15	-
1946-47	65	*38*	3.5	*17*	68.5	*37*	22.5	*50*
1949-50	78	*20*	7.5	*114*	85.5	*25*	24.5	*9*
1952-53	70	*-10*	11.5	*53*	81.5	*-5*	21.355	*-13*
1960-61	90	*29*	18	*57*	108	*33*	29.51	*38*

Table 2.2 adapted from Stewart (1989: 48)

Stewart notes that 'The generation of postwar veterans accounts for the peak total in 1949-50 when the first-year students were also at their highest' (1989: 48). The number of undergraduates falls somewhat in the early 1950s after this surge of veterans passes, yet in these years the number of undergraduates is still around 50% higher than the pre-war figure. In financial terms the recurrent grant from the UGC increased by about 90% in the years 1947-52 (*ibid.*: 49).

A stream of government reports began to appear from the mid-1940s as part of planning for 'after the war'. The 1945 Percy Report recommended a doubling of the output of engineering graduates; the 1944 Goodenough Committee recommended increasing the number of medical graduates; the Barlow Report of 1946 advocated a doubling of the number of scientists and technologists (Hennessy, 2006: 160). Stewart interprets the ever-increasing number of postgraduate students apparent in Table 2 thus: 'The advocacy of Barlow and Percy was beginning to appear even in the time of hardship of postwar rehabilitation and the continuation of postwar conscription' (1989: 48).

2.4 The Keele 'Experiment'

A specific recommendation of the 1946 Barlow Report was that a new university should be built. This was to become the only completely new university in England until the inception of Sussex University in 1958. The story of the former – subsequently named Keele University – contains two aspects that are of particular interest for this study: the way in which the university came into being, and the nature of the curriculum that was envisaged.

Influenced perhaps by the 'hopeful and progressive spirit of the immediately postwar years' (Gallie, 1960: 53), the UGC was receptive to the Barlow proposal of a brand new university, although the UGC recommended a delay of a decade, perhaps being 'resent[ful] of a newcomer unlikely to be viable for several years' (Stewart, 1989: 50). Stewart remarks that by the middle of the twentieth century a capital initiative such as creating a new university was not possible without government support.

The initiative to create a new university might be seen as audacious at a time when post-war shortage and indebtedness dominated:

> As late as 1950 food, petrol, bricks, steel, building space, building materials and fuel were still rationed ... Postwar rehabilitation was proceeding as fast as possible and the National Health Service was making its first heavy claims on the social welfare budget. The country had to repay debts, float loans, contract an empire, act as a great power in the United Nations, demobilise military strength, maintain conscription, and conduct a cold war (Stewart, 1989: 41).

Yet along with national considerations also in play was the type of factor that influenced the formation of the civic universities; local interests had for decades been pressing for that area of Staffordshire known as 'The Potteries' to possess a university (Gallie, 1960: 46). Gallie paints a general picture of pent-up demand and enthusiasm for higher education in the region.

Added to this picture were further, more personal, factors. A.D. Lindsay, Master of Balliol College Oxford, had decades-long connections with extra-mural education in the North Staffordshire area and as early as 1925 he had 'exhorted North Staffordshire "to start something new – a real people's university"' (Stewart, 1989: 50). A Labour Party supporter (and from 1945 a Labour peer) he wished to see higher education's 'special links with wealth or social position' removed (Gallie, 1960: 57). Lindsay became Keele's first vice-chancellor, and his personal influence on the 'Keele experiment' is underlined by his knowledge of most of the first intake of 150 undergraduates by name, and his interviews with these students at the start and end of term (*ibid.*: 113-114).

Lindsay 'rejected' the 'narrow specialised mastery' of discipline that the civic universities sought to produce, seeing it as failing 'to undertake the development and direction of intellectual motives and interests ... necessary for "the service of church and state" in modern democratic society' (*ibid.*: 75). Gallie remarks that in this respect Lindsay's ideas ran contrary to the official post-war view which advocated greater specialisation (*ibid.*: 77). Lindsay held that, 'what the world needs today is *not* primarily specialists; what it needs primarily is men and women with an informed sense of moral and political responsibility' – such people would provide the 'intellectual leadership' of society, and 'in particular the capacity to express and to evoke a sense of our society's aims and tasks and prospects' (*ibid.*). Although modern society certainly needs 'scientific minds – knowledge-making minds' such people should have 'the capacity and the desire to reflect sincerely and effectively upon what they are doing' (*ibid.*) so that the 'self-understanding society' would not lose sight of its essential aims and values. Developing such 'attitudes of mind which will make for a self-understanding society ... cannot be condensed into a formula' or a indeed into single academic discipline. Hence Lindsay's advocacy of a four year degree

commencing with a foundation year that would give students 'some one thing about which they can *all* talk', the better to gain a broad understanding (*ibid.*: 79-80).

Lindsay's conception was to ensure a broad education equipping the free citizens of a liberal democracy. In his welcoming address to the first cohort of undergraduates at Keele he claimed that 'he owed almost all his ideas about university education to … Ortega y Gasset' (*ibid.*: 101).

Lindsay 'knew that no ultimately worth-while freely cultivated activity is ever pursued in isolation' *(ibid.*: 44). Such activities affect both each other and the wider society in which they take place. Thus the curriculum of higher education should offer a broad education to the student. Gallie goes so far as to remark that how any university can 'help to create a self-understanding society' was 'the question which the University College of North Staffordshire was created to answer' (*ibid.*: 77). Lindsay's conception was not simply a greater breadth in undergraduate studies, or the possibility of variety and contrast; he imagined a genuine synthesis, the creation of new insights. ' … indeed, it was chiefly by the device of judiciously combining certain main subjects that he hoped to make the syllabus as Keele contribute to the self-understanding society of his dreams' (Gallie, 1960: 83). Two major aspects of the curriculum are obviously attributable to his conception. Firstly, a foundation year in which undergraduates were required to undertake study of disciplines away from their main field of study. Thus arts students were required to study one of the natural sciences, for instance, and *vice-versa* (Gallie, 1960: 82). Lindsay's idea was that students should understand something of each other's disciplines, and that the foundation year would give them some common ground for discussion. 'The essential thing … is that students of every faculty, of every different university subject, shall talk together about questions arising from their various studies' (*ibid.*: 80). It would prove impossible, in Lindsay's view, for an individual to know all that is necessary in a modern society; such discussion could help to furnish a wider grasp and understanding than simply studying one's own field. This foundation year would make Keele's undergraduate degrees last for four years rather than the usual three. Allied to this, in an echo of Newman's conception of the university community, Lindsay argued for the principle of 'total residence' to

be realised at Keele (Gallie, 1960: 62). In this he was helped by the campus location of the new university – a large rural site around a stately house (Keele Hall) with some lodges and a number of dilapidated ex-army wartime pre-fabricated huts.

The second key feature of the Keele curriculum attributable to Lindsay's influence was that of combined honours degrees. These were not simply to be a copy of the joint or dual honours degrees offered at, for instance, Oxford, that might in themselves broaden the student's studies. What Lindsay hoped to achieve was a new and genuine synthesis, perhaps for the students to cultivate a sophisticated range of responses 'the sensitive and imaginative on the one hand and the intellectual and analytical on the other' Gallie (1960: 85). Gallie offers the examples of English literature with philosophy, French literature with German literature, history 'in conjunction with both literary and analytical subjects' (*ibid.*:84-85), and Politics, Philosophy and Economics. Although PPE had been on offer at Oxford since the 1920s Gallie remarks that it had 'never been operated there as a serious attempt to induce the "combined-seeing" of … the main problems of modern democratic societies' (*ibid.*: 86). Gallie employs an arresting metaphor here in respect of this disciplinary synthesis:

> What Lindsay hoped for in his faith in judicious groupings of historical and other Arts subjects was a number of 'windows on the world': good, big windows, bay windows, within which one could walk about, change one's position, take up and combine together successive or even spatially separated panoramas; that is, windows of the kind that are seldom to be had unless one is willing to knock down a few partitions and room-walls in order to get them. (Gallie, 1960: 87)

In June 1949 the three universities supporting the North Staffordshire initiative agreed the curriculum, and the Royal Charter endorsing the formation of the new university college was issued. In September 1950 the first batch of undergraduates was admitted. Thus was formed the only completely new university in England for a decade.

After the radical initiative at Keele a period of consolidation in HE followed during the 1950s. University student numbers increased slowly throughout that decade; the proportion of the age group becoming full-time university students

in the UK crept up from 3.2 per cent in 1954 to 4.2 per cent by 1959 (Stewart, 1989). There were no completely new universities. Instead four existing colleges in England assumed university status - Southampton in 1952, Hull in 1954, Exeter in 1955, and Leicester in 1957.

2.5 The Case of Sussex

As with the creation of Keele a decade before, Sussex University was consciously designed as 'an experiment' in terms of its academic scheme (Daiches, 1964) and as with Keele, Sussex' founding aims were couched in broad social terms. Its graduates were to be equipped to step into 'effective membership in the future of the free society' (Fulton, 1964: 20). In order to fulfil this mission universities must be autonomous, 'not for the sake of academic privilege but on the ground that it is essential to the health of society as a whole' (*ibid*: 20-21). University teaching should provide for its undergraduates 'an orderly framework ... within which they can enjoy the maximum freedom for personal intellectual development' and 'emerge armed against the encroachments of uncritical uniformity' (*ibid.*: 20). According to the new vice-chancellor, Sir John Fulton, education is nothing less than 'making the future' (*ibid.*: 17).

The paradigm at Sussex would be that the academic is 'a man [sic] apart'. 'His world and his values are not the world or the values of the here-and-now in which the "doers" live' (Fulton, 1964: 14-15). The academic operates on a different time-scale in order to probe 'beyond the appearances of things to their ultimate nature and their laws of their behaviour' (*ibid.*: 15). Fulton recognises that not all undergraduates will reach this ideal, but that 'The rest will take into the everyday bustle of affairs an enduring experience of the other kind of world' (*ibid.*: 15).

Especial emphasis was placed on student selection to form 'a richly diverse body, stimulating the whole university' through deliberate differences in social, gender, racial, educational and geographic background (*ibid.*: 20). Fulton writes with a distinctive awareness of the emerging post-colonial era, and identifies education as a liberating force. In his view, it holds the key

> not only to the defeat of poverty and the human suffering that goes with it … the spread of education among the peoples of the world seems to the underdeveloped and the underprivileged the best hope that relations between men, between nations, and between races will be progressively based on reason rather than on prejudice, fear, and passion. (*ibid.*: 10)

In order to achieve these high aims, like Keele the curriculum at Sussex was envisaged as heavily inter-disciplinary. Indeed an indebtedness to Keele was explicitly acknowledged by the vice-chancellor (*ibid.*: 12). The Sussex curriculum was designed 'to encourage students, whilst still undergraduates, to reflect upon the relevance of one branch of study to others from which, traditionally, it has been divided' (Corbett, 1964: 26). Even within a single field such as science, 'the borderlines between different sciences are diffuse, and science cannot advance or full understanding be achieved without work in and across these regions' (Blin-Stoyle, 1964: 123). Yet the designers of the academic scheme at Sussex were uninterested in establishing 'a new academic orthodoxy' and recognised 'the need for different institutions to improve old methods and pioneer new ones … each developing their own ideas and techniques' (Daiches, 1964: 8).

Since 'Philosophy concerns itself – at least – with the most general and pervasive questions about the logical character of other kinds of inquiry and about the ways in which they fit together … from the moment that you make it the main principle of higher education to get undergraduates to think how their major study is related to others' (Corbett, 1964: 32) it was envisaged that philosophy 'should play an unusually large part in undergraduate study' (*ibid.*). Similarly, noting that 'most science undergraduates will be concerned in their subsequent careers with more than purely scientific work', and that the non-scientist 'cannot escape the fact that they are living in a scientific and technological age', then 'every undergraduate in the University will follow will follow a course of lectures, seminars and discussions contributed to by both the Science and Arts Faculties' (Blin-Stoyle, 1964: 127). This 'unifying influence between the Arts and Sciences' (*ibid.*) seems to echo the concern expressed in C.P. Snow's controversial speech of 1959 about the need for understanding across these 'two cultures' (Bissett, 2002; Snow, 1971).

Academic courses at Sussex were founded in Schools of Studies in order to emancipate the university from 'the restrictions of the departmental system and ensured ... the maximum possible flexibility and freedom' (Fulton, 1964: 9). Flexibility and speed of change are concerns that feature extensively in the thinking behind Sussex. Rather than speed of development of the curriculum being a threat to quality, Fulton writes in the opposite sense – that 'rapid growth is a necessary condition for achieving high academic standards; it is not their enemy' (*ibid.*: 16). This concern – that quality would suffer at the hands of a rapid growth in quantity – appeared in the closely following Robbins expansion, as the next section of this chapter will discuss. Furthermore, argues Fulton, 'The sting is removed from inter-subject rivalry because, with rapid growth ahead, unsuccessful claims are thought to be postponed rather than surrendered... There is overwhelming advantage in having as many aspects of scholarship as possible represented as soon as possible' (*ibid.*: 17). By contrast, 'A static or slow growing university has to pay very heavy prices; its resources remain the same or increase only at a very slow rate ... And so rivalry and contest replace what should be co-operation in the work of scholarship' (*ibid.*).

This brings us to the means by which such holistic interdisciplinarity would be realised. Unlike Keele, intensive teaching was to accomplish interdisciplinary depth rather than the provision of a four year undergraduate course of study. Sussex was originally envisaged with a staff:student ratio of 1:8, with 375 academics and 3,000 students. Tutorials and seminars were seen as more important than lectures, attendance at which would be 'voluntary' (Corbett, 1964: 19). 'In the arts and social studies ... where the subject matter is less definite and more controversial', tutorials would have a 1:1 staff:student ratio, or 'at most' 1:2 (Corbett, 1964: 27). The tutorials were seen as an updating of the Oxbridge system 'to the conditions of a modern university ... an arrangement by which each undergraduate attends one or two sessions each week with a tutor in groups of not more than five members' (*ibid.*: 27). Furthermore, this intensive teaching strategy was consciously 'just the reverse of what is practised in most universities; we think that the main teaching effort should be devoted to students who are just beginning their course' (*ibid.*: 28), aiming for a 'wastage' rate of 5% or less. The intensive and highly personalised tutorial system would, 'on the basis of personal friendship between the teacher and the taught',

obviate the need for much formal assessment: 'Apart from the preliminary examinations, to be taken at the end of the second term, we intend to hold no university examinations or tests, in the strict sense, before finals' (*ibid.*: 29).

Despite the intensive teaching scheme at Sussex Daiches complains that 'Three years is not a long time – indeed it is ridiculous that England remains one of the few countries in the world to give an honours degree in such a short period' (1964: 98). Picking up this theme, Blin-Stoyle remarks of the sciences that:

> a three year course at university is just not enough. For this reason, the University of Sussex has instituted a fourth year of extreme specialist study leading to the degree of MSC [*sic*]. It is expected that 30%-50% of our undergraduates in the School of Physical Sciences will take part in this course, which will carry them well beyond the level of the more conventional specialist degree course, and will provide the necessary advanced training for anyone intending to embark on a career as a research scientist (1964: 128)

Research was also identified as one of the necessary 'many aspects of scholarship', with a 'fundamental' need to achieve a compromise 'by which teaching is made at least compatible with, and at best conducive to research' (Corbett, 1964: 23). In sum, freedom, flexibility, speed and change seem to have been the watchwords of the new university. 'A new institution must make its own contribution in its own way if it is not to be merely a sterile replica' (Fulton, 1964: 18). Foreshadowing later problems he presciently concludes:

> So long as the initiative in making new patterns and modifying those that already exists rest with the universities their autonomy is assured ... The price of failing in this would be sooner or later to have a pattern imposed from the outside (*ibid.*: 21)

The UGC had granted approval to the founding of Sussex in 1958, and its first fifty undergraduates were admitted in 1961 against the originally planned date of 1963. Meanwhile UGC approval was given to York and East Anglia in 1960, both of which opened to students in 1963. Further approval was given to Essex, Lancaster, Kent, Warwick in 1961; the first two opened in 1964, the other two in

1965. These six universities 'were concerned, like Sussex and Keele, with some form of combination of general and special education' (Stewart, 1989: 103). In Sussex and the other six new English universities growth was accelerated by the UGC and by the Robbins Committee Report of 1963. Stewart remarks of the achievements of Sussex and the six other new universities in the period 1962-70 as a 'stupendous build-and-supply task together with an undergraduate and postgraduate teaching achievement that outstripped the Robbins projections and a record of research which began to silence the captious' (*ibid.*).

2.6 The Robbins Expansion 1963 – 1970

The Robbins Committee had been appointed by the Prime Minister as First Lord of the Treasury, which was partly responsible for higher education, along with the Ministry of Education and the UGC. The Committee's report of 1963 entitled *'Higher Education: Report of the Committee appointed by the Prime Minister under the Chairmanship of Lord Robbins 1961-1963'*, and commonly referred to simply as 'The Robbins Report' made 178 recommendations, both strategic and detailed.

The Robbins Report's paradigmatic status has influenced our understanding of more recent policy initiatives such as the 1997 'Dearing Report', if only by unfavourable comparison (Parry, 1999). In 1988 a special edition of the *Oxford Review of Education* was devoted to a collection of retrospective analyses of the Robbins Report, and introducing that edition Phillips writes of the Report:

> The principles it expounded have informed the debate on higher education ever since: we speak of the pre- and post-Robbins eras, and the report is read as an eminently sane and finely written examination of issues which are still ill treated in the hands of those with less vision than the Robbins Committee (Phillips, 1988: 3).

Assessing the work of the Committee and its consequent report, one of the participants, Sir Claus Moser, was able to write twenty-five years after the event that 'several of the central themes of the Robbins report are still or again relevant today' (Moser, 1988: 19). In some ways, as will be seen, the passage of further years has not necessarily diminished that relevance.

The work of the Committee was informed by strong values of social justice and an awareness of the contribution that HE can make to a democratic society. It seemed repugnant not to provide adequate opportunity in the face of an impending historical anomaly:

> Surely that would be the very bankruptcy of academic resource and invention – to say nothing of the injustice to the young people and to their parents, whose absence on military service is responsible for the abnormality of the subsequent discontinuity in marriage- and birth-rates (Robbins, 1966: 46).

Speaking at Harvard University five months after the Report appeared Robbins said:

> I should in no way accept the maximization of growth of G.N.P. as necessarily the final criterion of policy ... for myself, if it were a choice between more education and less wealth or less education and more wealth, I should not always regard the latter as more desirable (Robbins, 1966: 22).

Despite such lofty values that were strongly articulated in the Report, the twofold drivers of the initiative were practical and empirically founded. Firstly, governments had become aware of the rising birth rate following the Second World War, and foresaw the impending 'demographic bulge' in the numbers of young people who would require education from the middle of the 1960s and onwards. Secondly, there was what members of the Committee referred to as 'the trend', this being for an increasing number of sixth formers to acquire the necessary A-levels for university entrance. Drawing upon a mass of different government statistical sources and extrapolating these with the best assumptions that they could make, the Robbins Committee saw the need for an enormous expansion in higher education capacity. In fact, the main thrust of the Report was to recommend expansion of student numbers from the 1963 level of 216,000 places (9% participation of the age group) to 560,000 (17%) by 1980-81. Six new universities were to be founded.

This would take the cost of HE from £206m (0.8% of Gross National Product) during 1962-63 to a projected £742m (1.6% GNP) during 1980-81, an increase of 260% (Robbins, 1966: 26, dates corrected).

Alongside the expansion of the universities, several other proposals were made in the Report. It was envisaged that Technical Colleges would be more closely integrated with local universities, with the potential to accede to degree awarding status in their own right. The upgrading of ten Colleges of Advanced Technology (CATS) to university status was advocated, along with the creation of five Special Institutions for Scientific Technology Education and Research (SISTERS). One of these was to be brand new, the other four being based on existing colleges at Glasgow, Manchester, London, and one of the CATS. The CATS were envisaged as aspiring to the status of 'the great technological high school of Zurich, or Massachusetts Institute of Technology' (Robbins, 1966: 10), and Robbins paid careful attention to their development. All but one gained their university charter in 1966 or 1967, and far from being narrowly focussed on science or technology they offered the familiar 'wider' curricula, with many of their academic schemes comparable to the Sussex model (Stewart, 1989: 109). Stewart cites the example of Bath, which had fourteen schools within three faculty areas (*ibid.*).

The Robbins Report advocated a greater provision for the study of science subjects. Ten months after the Report appeared, Robbins remarked that 'if we do not produce more [scientists and technologists], our competitive standing in the modern world is likely to be jeopardized' (Robbins, 1966: 104).

Robbins also felt that UK first degrees could be broader in nature, possibly combining subjects, and recommended expansion of postgraduate study in order to provide the deeper and narrower education better suited to vocations and research. In part this was consciously informed by the system in the USA. The Committee also visited the USSR in the course of its investigations. In this it might well have been influenced by the anxious comparisons with these major powers that C.P. Snow had included in his 'Two Cultures' lecture. Certainly Robbins was aware of Snow's lecture.

The final major area in which Robbins made recommendations was in governance. Robbins strongly endorsed the operation of the University Grants Committee (UGC) and its allocation of 'block grants' as a 'buffer' against too

much government interference and as a protective bulwark for academic freedom.

The Robbins proposals amounted to a vision of HE that was diverse yet closely integrated in its parts (universities, technical colleges, teacher training); flexible and progressive in that institutions in the different parts could aspire to 'autonomous' (university) status; overseen by a dedicated ministry acting as its advocate at cabinet level; and that the HE system would be responsive and ultimately accountable to national interests via government direction, yet not be subject to too much interference.

Two major points that not only inform our understanding of the parameters of the Report, but that also have great interest from present-day perspectives, are worth pointing out immediately. The first has been widely quoted:

> Throughout our Report, we have assumed as an axiom that courses of higher education should be available to all those who are qualified by ability and attainment to pursue them and who wish to do so. (Phillips, 1988: 3).

In other words, 'the supply of places should be based on the demand ... from potential entrants, rather than on the demand in the economy for the products of higher education' (Layard *et al*, 1969: 21).

The second major principle that informed the report is that quality should remain, so far as possible, unchanged. This had two components: academic standards, and the overall university experience – the 'atmosphere and human relations'. Thus, for instance, there was careful discussion and concern that staff-student ratios should remain the same. The 'more means worse' suspicion that was voiced (often in *The Times* newspaper) in the year following the Report's appearance was repeatedly refuted in writings and speeches by Robbins. 'Layard's Law', as Robbins named it after one of the Committee's members, showed that 'once an expansion of this sort is under way, it will feed itself' (Robbins, 1966: 45). The 'manpower to carry this thing through' (*ibid.*) in terms of secondary and university teachers would not provide a major difficulty.

Thus 'the average quality of [university] teachers may have fallen, staff/student ratios [of 1:7] have not' (Layard *et al*, 1969: 30).

When the report appeared in October 1963 the interest and debate it provoked were extensive:

> 'If sales are the index, the *Robbins Report* was a *succès fou*: the only official reports to have sold more copies are Beveridge on social insurance and Denning on Christine Keeler' (Layard *et al*, 1969: 26).

Perhaps even more remarkably, 'the quantitative recommendations ... were accepted in a White Paper published within 24 hours of the *Report*' (*ibid.*: 22). The main provisions of the Robbins Report were put into effect with astonishing promptness by Sir Alec Douglas-Home's Conservative government, despite (or perhaps because of) the impending general election. This election returned Harold Wilson as Labour Prime Minister in 1964, and his new government made some important revisions to the recommendations of the Report.

The Robbins Committee statisticians had done their work rather well. The 'demographic bulge' continued as predicted, with the number of eighteen year-olds peaking in 1965, but the 'trend' in better A-level results continued to rise beyond expectations. The 1963 Report had underestimated this, so that 'the number of qualified school-leavers will be some 12%, i.e. some 25,000, more than our minimum projections' in 1973-74 (Robbins, 1966: 138). However, due to 'overbidding' by the universities who, unsurprisingly, greeted the Robbins plans with enthusiasm, 30,000 more university places were forthcoming than originally estimated in 1963. This, combined with the ability of the technical colleges to absorb the applicants whose A-levels exceeded expectations, meant that no transient crisis was seen.

Spending plans were curbed by 1965. A government can sanction rapid expansion just before an election. An incoming government is likely to rein in the *largesse* of its predecessor after an election. Along with the deletion of six proposed new universities, 'The SISTERS proposal never got off the ground – the pressures against such overt discrimination were too great. But more

seriously, no new high-level institution, no British MIT, appeared to capture the public imagination' (Layard *et al*, 1969: 50). Robbins described this more bluntly as 'a characteristic example of political cowardice' (1966, 37).

As Robbins described (to an audience at Harvard soon after the Report appeared) the 'acute problems ... arising from special historical circumstances' (1966: 17), strong echoes of the wartime effort are evoked. Their background experience of the wartime planned economy and urgent measures seem reflected in the writings and speeches of the Committee members. These are replete with ominous phrases such as 'crash programme' (Layard, 1969: 21), 'emergency measures to cope' (Robbins, 1966: 37), the semi-military 'scale of operations' (*ibid.*: 43), and 'if we are to survive ... if we are to fulfil our hopes of better times to come' (*ibid.*: 38). Add to this the Cold War atmosphere of 'space race' and 'missile gap', not to mention the worry of international economic competition, and the Report appears as the last major manifestation of the state planning that had reached apogee in the 1940s. Robbins makes the surprising claim that, in the UK 'in conditions of total war [the] degree of collectivist control ... went further ... than in Nazi Germany' (1971: 177).

With some second rank issues aside, its main analysis, employing government statistics within a national economic framework, proved accurate, timely, and necessary. Its major proposals were securely completed, although in the area of governance and provision, for reasons of cost curbing (Rustin, 1998) and a desire to retain control, the Labour government elected in 1964 went on to create a 'Binary System' with separate polytechnics rather than the diverse yet closely integrated one envisaged in the Report. On this last point, Pratt summarises the reasoning of the minister responsible for the 'binary policy', Anthony Crosland, as including 'an increasing need for vocational, professional, and industrial based courses' not met by the autonomous university sector; the need to keep part of higher education under 'social control' and 'responsive to society's needs'; and the need to 'stand up to foreign competition' in the professional and technical sector, which Robbins' emphasis on autonomous universities supposedly 'downgraded' (1997: 8). This reasoning prefigures government sponsored arguments that are more strongly apparent from the 1980s onwards, demonstrating what Pratt calls 'an increasingly instrumentalist

view of the whole of higher education' (*ibid.*: 313). He also adds, baldly: 'A driving force of the polytechnic policy was the need to offer higher education more cheaply' (*ibid.*: 315).

Although the Robbins Report had a great impact, both in practical consequence and as an exemplar of a major, thorough and lucid initiative, it is questionable whether its proposals represent a reform, in the sense of 'a substantial and systematic attempt to change the content, structure and/or power relations in an educational system by legislative means' (Simkins, 1992: 3). It was an attempt to expand the provision of an educational sector without significantly altering any other parameters of that sector, such as quality, *pro-rata* financial support, or staff:student ratios. In this respect Mayhew *et al* make the concise comment: 'This expansion was well funded' (2004: 66).

2.7 The Contractions of the 1970s and 1980s

A notable aspect of the expansion of the 1960s that effectively doubled the size of UK higher education was that it was on a 'like-for-like' basis. So between 1960 and 1970 the number of students doubled, but so did the number of academics – from 14,000 in 1960 to 29,600 in 1971 (Stewart, 1989: 117). In the late 1950s there were 21 universities, in 1971 there were 44 (*ibid.*). The staff:student ratio still averaged 1:10 into the mid-1970s (Stewart, 1989: 163). Research funding had increased by approximately 10% per annum during the 1960s (*ibid.*: 151).

The fulsome approach of the Robbins recommendations leading up to 1970 was not entirely implemented by successor governments, but by the mid-1970s the larger factor of an 'intensifying fiscal crisis for Anglo-American welfare states' (Deem *et al*, 2007: 5) was becoming apparent. The post-war social settlement was proving difficult to sustain, and the first severe OPEC-sponsored oil price increase of 1973 helped both to expose this and to deepen the crisis. By 1975 a £4bn International Monetary Fund loan to the UK government came with 'clinically hard conditions' (Stewart, 1989: 217); these included cutbacks in public sector spending.

> By 1974 inflation was running well above 25%, with the university building programme virtually abandoned, bringing the consequent shocks to planned student number increases both in universities and the public sector. The university quinquennial system ceased and annual allocations became the alternative (Stewart, 1989: 145)

From 1974 to 1977 'every kind of university grant ... was withheld wholly or in part'. (Stewart, 1989: 162). Student intakes were reduced, and the forecasts for student numbers were lowered by approximately 10% below the 1972 projections (*ibid.*) Many capital developments were halted, and some academic recruitment was frozen (*ibid.*).

Notwithstanding the reduction in resource, there was an 'almost unbroken annual increment of student numbers from 1954 to 1981', and between 1968 and 1978 student numbers consistently exceeded the Robbins forecasts 'sometimes by as much as 10-12%' (Stewart, 1989: 157). However, by 1978-79 the Robbins forecasts corresponded with the actual student numbers due to the slowing expansion, and by 1981 the actual 300,000 places were 16-17% below the Robbins projections (*ibid.*). Overall, despite the funding cuts of the 1970s, student numbers still grew by 35% during that decade (Stewart, 1989: 149).

Stewart retrospectively views the period 1964-68 as a 'delta in higher education' in that, along with the expansion, the Robbins Committee outlined a systemic approach to higher education (1989: 144). However, with the increased spending government direction of HE began to take a much firmer grasp and subsequent initiatives tended to be piecemeal rather than requiring the *largesse* of a systemic operation. Stewart views that the 'buffer' role of the UGC 'became inadequate if not obsolete' (*ibid.*). For instance, Robbins was concerned to support science and technology with extra resource, but in its quinquennial grant of 1967-72 the UGC issued guidance that these moneys should not be spent on new schools of biological science, and that it wanted to encourage Russian and Latin-American studies. Furthermore, although each university was formally free to decide how spend its block grant, the UGC should now be consulted before new developments were begun (*ibid.*: 144). Stewart quotes Wolfenden, the chair of the UGC during this period as observing 'The gradual

transition from "buffer" to "strategy" came to be accepted ... At least the directing hand wore a velvet glove' (*ibid.).*

The research dimension presents a significant exemplar of the tightening of government funding and an increase in government direction during the 1970s – both of these being sides of the same coin. The Rothschild Report of 1972 which nominally addressed applied research reduced the radius of free operation of university research, substituting instead a pattern of government department 'customer' and university 'contractor' to generate a product, a 'process' for the product's delivery, and a 'method of operation' for the product (Stewart, 1989: 176). Although this was not supposed to affect basic or pure research, it nonetheless had an influence; 'This moved a considerable part of the choice of research initiatives away from the academics and the expert committees, closer to the priorities of government departments and the market' (Stewart, 1989: 153). £32 million of science funding – 25% – for the Agricultural, Medical, and Natural Environment research councils was transferred to 'customer' government departments as a result of the Rothschild initiative (Stewart, 1989: 145, 177).

> In the 1970s UGC funds decreased, and research of 'timeliness and promise' (to use the relaxed language of the 1960s) lost its priority to the more defined customer/contractor process (Stewart, 1989: 145)

Leaving research aside for the moment, a much larger political change was in the offing.

> The severities of the 1970s were the precursors to the deliberate contraction of the 1980s under a different government and a different economic theory. The beginning of the end of twenty years of favoured treatment which the universities had had since 1950 and their much-prized independence was now inescapable (Stewart, 1989: 163)

A Conservative government with that 'different economic theory' was elected in May 1979 'with a mandate to cut public expenditure and raise the prominence of markets in public services' (Deem *et al*, 2007: 43). According to Conservative policy, 'Higher education was to play its part in a government strategy of

severely cutting public expenditure', leading to the early policy detail that 'government subsidy for overseas students was withdrawn in 1980, reducing most universities' incomes by between 5 and 10 per cent' (Watson and Bowden, 1999: 244). Stewart remarks that:

> the relationship between the government and the UGC from 1979 onwards changed from being, according to the Robbins proposals, based on a demand from candidates appropriately qualified, to being cash-led on annual aggregate Treasury allocations to the UGC as cash limits without later supplementation (Stewart, 1989: 223)

From here until the mid-1980s this period:

> saw an end to the HE expansion of the 1960s and 1970s, with a 15 percent cut in public spending on universities in 1981, and restrictions on introducing new courses. There was pressure to make universities more efficient and accountable to government and the public (Deem *et al*, 2007: 44)

In October 1979 the UGC asked universities 'for a great deal of precise information ... as thorough as anything that had ever been obtained before' (Stewart, 1989: 224) covering almost all their operating parameters, both academic and financial. The UGC advised universities to restrict their student intake for the same month, and for the following year, that is, October 1980. Then in December 1980 'the "level funding" promises were abandoned by the government' (*ibid.*), and in July 1981 the UGC was obliged to implement cuts in university funding averaging 15%, although the allocation was highly uneven – Collini puts the reduction 'across the whole system' at around 11% (2003: 5). The basis on which this uneven cutback was made remains unclear, although 'for reasons of "relevance" and the national economy' (Stewart, 1989: 226) the UGC determined to protect engineering and business studies, and many parts of science and medicine. These latter subjects were more expensive, by ratios of between 1:3 to 1:6, compared to arts and social science courses, and this necessitated even deeper cuts in arts and social sciences. Not surprisingly there were 'restrictions on introducing new courses' (Deem *et al*, 2007: 44). Salford was one of Robbin's newly promoted CATs, receiving its university charter in 1967. Now its grant was reduced by 42%, this being at the most

severe end of the scale despite it being a technologically oriented university, and York's grant was cut by 2% at the other end (*ibid.*). Student numbers were also correspondingly cut, across a range of 30% at Salford to 3% at York. In November 1981 the vice-chancellors told the government that such cuts would 'reduce the chance of a university place for one in every seven of the age group within the next two to three years' and the loss by various means of around 3,000 full-time academic staff (Stewart, 1989: 225). At Aston University, where 31% of its income was cut during 1981-84 and it was required to reduce by 22% its home and EC student numbers (Stewart, 1989: 228), staff numbers and departments were reduced by one half over the four-year period 1981-85 (Deem *et al*, 2007: 62). 'Courses and departments were to be closed or merged' (Stewart, 1989: 229). Stewart quotes an unnamed university chair of council relating how in 1981 a 30% cut in academic staff was made and an end put to tenure (1989: 248). In Collini's words, the 1981 cuts 'savagely reduced' funding 'in a move that appeared almost deliberately to undermine rational planning and damage morale' (2003: 5).

Stewart remarks that the disparities between the cuts in individual institutional funding were 'greater than ever had occurred in any UGC allocations before', and came 'without adequate warning or consultation on method or disclosure on comparative criteria and weighting' (*ibid.*: 229). When these cuts were made, a directive was also issued concerning the student numbers for individual universities from 1981-82 to 1983-84, 'divided into arts, science and medicine, together with some specific recommendations on changes in departmental arrangements and disciplines to achieve these' (Stewart, 1989: 228).

A further effect of these cuts is noteworthy. Due to their severity and the abrupt nature of their imposition, the crisis that was sometimes induced altered the management process of some universities (Shattock, 2003). Stewart discusses the example of Aston, and records that 'the established decision making sequence had to be replaced' (1989: 229). The mechanisms of senate (for academic governance) and council (for operational matters), along with various sub-committees and planning groups, were superseded by the pivotal role of the vice-chancellor 'as the academic and administrative head of the university' and the advent of a '*de facto* line management basis' to the operation of Aston

(*ibid.*: 230). Stewart goes on: 'a number of other universities have adopted a similar pattern … administration is high on the agenda of all universities since 1984' (*ibid.*).

This nascent managerialism was given greater impetus in September 1983. Sir Keith Joseph, Secretary of State at the Department of Education and Science, urged the UGC to emphasise science, technology, and vocational relevance, and to focus on further reductions in spending via efficiencies and economies (Stewart, 1989; 231). The Jarratt Committee was set up by the CVCP in agreement with the Secretary of State in April 1984, ostensibly to conduct efficiency studies within the universities (*ibid.*: 233). This committee contained representatives from business and industry, the CVCP, and also employed six management consultants. Three key areas that it examined were financial management, purchasing, and estate management. It delivered its report in March 1985, advocating 'best practices', performance indicators, and reform of the decision-making process:

> Line management was the model that was implicitly commended with the restructuring and training necessary to bring it about. The vice-chancellor was seen in the role of chief executive (Stewart, 1989: 234)

Deem *et al* (2007: 61) identify the 1985 Jarratt Report on University Efficiency as a turning point for the introduction of the 'new managerialism' into HE, although the report ostensibly did not directly address the academic dimension but instead focussed only on real estate, purchasing, and financial management. However, it had an influence beyond these operational matters into the academic dimension, and a member of the committee that produced the Jarratt Report believed that the intention was 'as much to change attitudes and styles in the long term as to achieve immediate value for money improvements' (Stewart, 1989: 233). To this end the Report insisted that line management replace the collegial decision making system of senate and council that most universities had hitherto followed with 'a greater emphasis on corporate governance … rather than decisions by academics alone' Deem *et al* (2007: 44). 'The consensus method of administration … [was] criticised as inefficient … thought to inhibit crisp decision-making and arriving at difficult decisions'

(Stewart, 1989: 234). The Jarratt Report also 'led to budget devolution from the centre of universities to smaller units' (*ibid.*) and the use of 'a range of performance indicators ... on management and administrative matters' (Stewart, 1989: 234). As Deem *et al* put it, it is such 'new allocative and authoritative mechanisms' which help to constitute the managerialist 'triptych' of 'markets', 'metrics', and 'management' (2007: 24).

The Jarratt Committee also recommended that the structure and operation of UGC itself be scrutinised, and the Croham Committee was formed in July 1985 for this purpose. Stewart (1989: 237) comments that 'The period 1981-84 ended the unique 'buffer' position of the UGC ... The transition had been becoming more and more definite from 1973 onwards'. The UGC was formally terminated by the Education Reform Act of 1988, and it was replaced by funding councils which provided a much more *dirigiste* arrangement, giving 'direct effect to successive government policies largely by making funds dependent on carrying out various reforms or meeting specific targets' (Collini, 2003: 5). This act also definitively removed academic tenure from the UK system.

Several authors – for example Pratt (1997) and Taggart (2004) – observe that as government funding for higher education increased, so did government control. Stewart's account (1989) makes it especially clear that the two world wars effected jumps in this funding and direction dyad. Indeed Scott (1995) notes that before World War Two one third of university income came from the UGC, and that by 1946 this proportion had increased to two thirds; by 1959 the proportion was three-quarters (Berdahl, 1959). This picture omits funding from the research councils that began to make their appearance following World War One.

In the four year period of 1986-87 to 1989-90 the UGC block grant was increased by between 1.7% to 3.5% at different times, although some of this increase was earmarked for specific initiatives on capital spending and 'new blood' in staffing (Stewart, 1989: 250-51). According to Watson and Bowden (2007: 7) Keith Joseph's policy 'all ended in tears' and was replaced by new proposals in 1987. These planned to double the size of the UK system from 777,800 students in 1979 to 1,659,400 in 1996 whilst still decreasing the unit of

resource per student. Between 1989 and 1997 there was a 36% fall in funding per student (Deem *et al*, 2007: 40), and the curriculum was influenced by increased funding differentials in favour of the teaching of science and technology subjects at the expense of the arts, humanities and social sciences (Deem *et al*, 2007: 40).

2.8 The End of the 'Binary Policy'

Meanwhile another important development took place; the twenty-five year 'experiment' with the polytechnics came to an end as they emerged as universities in their own right. Previously they been governed via local education authorities and had awarded qualifications that were in effect 'franchised' from national bodies such as the technical education councils and the Council for National Academic Awards. The integration of the polytechnics into the university system increased both the resulting size and the curriculum range, helping, as Pratt argues, to form a mass higher education system (Pratt, 1997: 328). Fulton records that 'a handful' of the larger colleges of education (teacher training colleges) also gained university status in this way (1996: 395).

In 1973 the twenty-nine polytechnics in England had approximately 150,000 students, one half of whom were studying in part-time mode. By 1992 this number had grown to more than 450,000, one third of whom were part-time; this growth paralleled that of the universities (*ibid.*: 29). The polytechnics were 'diverse' in size and in the nature of their operations (*ibid:*. 3), their curricula tended to be more vocationally oriented than that of the autonomous sector, their curriculum development and teaching modes tended to be 'innovative' (*ibid.*: 9), and their more flexible and open access patterns catered for less 'traditional' students (*ibid.*: 109). This enabled them 'to expand the social base and age range of their students' (Fulton, 1996: 397). In a description partly reminiscent of the civic universities Fulton characterises the polytechnics as providing 'mainly vocational courses for locally based students, responding ... to the needs of their local community and the local labor market' (1996: 394). He goes on to comment that 'the polytechnics gradually gained recognition for positive distinctiveness rather than being viewed merely as second class (or worse) universities' (*ibid.*). By a tendency of convergence with autonomous sector that Pratt, Fulton and others call 'academic drift' the polytechnics had

gradually become more like universities (Pratt, 1997: 11). By 1992 they offered a 'comprehensive' range of courses and subjects (*ibid.*: 106). In their governance the former polytechnics and colleges in 1992 'had fewer governors with local authority connections than the old universities'. Furthermore, 'The governors in the new universities also believed more strongly that the institution should be run as a corporate business. The views of governors on many topics were surprisingly similar in both old and new universities' (*ibid.*: 294). Pratt says of the polytechnics that 'it was clear that they could be considered, uncontroversially, as universities in 1992' (*ibid.*: 152). Nonetheless the older universities would not easily relinquish their hitherto distinctive status. Scott remarks that 'In the short term the creation of a unified system has produced a number of unintended, even contradictory effects which seem likely to reinforce its élitism' (1995: 5). This effect has arguably extended beyond the 'short term'.

In an interesting argument Pratt remarks that once the old, autonomous, universities and the local authority controlled polytechnics had become integrated into one system – albeit a highly stratified system – then the old universities were increasingly obliged to become more like the ex-polytechnics. Not only did the ex-polytechnics 'offer higher education on the cheap', but the pre-1992 universities were 'obliged ... to follow suit' (*ibid.*: 308). In the resulting convergence of the polytechnics and the old universities:

> The polytechnics moved away from some of the purposes set for them, but the universities moved towards the polytechnics in significant respects ... leading to a breakdown of the traditional demarcation between vocational and academic courses ... The universities increasingly acquired characteristics that had been traditionally those of the polytechnics, for example, in developing modular courses and recruiting non-traditional students ...They increasingly emphasized the vocational relevance and content of their courses ... turned increasingly to applied research ... began to reduce their unit costs and to develop courses and teaching along the lines pioneered by the polytechnics (Pratt, 1997: 309)

In sum, the logic of financial pressures imposed by government policy within a competitive higher education market lead Pratt to remark that 'It became possible to talk of "vocational drift" by the universities as much as "academic drift" by the polytechnics' (*ibid.*: 313). Fulton (1996) offers a similar analysis.

Altbach and Lewis also see the autonomous (pre-1992 universities) and public (ex-polytechnic) higher education sectors being combined 'to improve productivity', but their added note about the simultaneous 'downgrading [of] the elite sector' seems a little unsubtle and not quite accurate given the differentiation amongst institutions that has subsequently crystallised across the combined system (1996: 8). Watson and Bowden commenting on the financial pressures at work in the ending of the binary divide say that much government rhetoric 'was about "levelling the playing field"' or 'enforcing value for money through overt competition for student places between the two former sectors' (1999: 246). They record that this did have an impact in the teaching dimension, but that in the research dimension the playing field remained resolutely tilted in favour of the pre-1992 universities.

On a final note concerning the incorporation of the polytechnics into the university system, it has been argued elsewhere (Bissett, 2006a) that Robbins would have approved of this development, if not all of the motivation behind it, and Holmwood (2011) concurs, citing Robbins' conception of a diverse yet integrated system of higher education within which institutions could move towards university status.

2.9 The Dearing Report of 1997

The inquiry into higher education initiated in 1996 and chaired by Lord Dearing was the first such government sponsored national inquiry since the Robbins Committee had done its work a third of a century earlier. Its report was published in the summer of 1997. Essentially the inquiry was motivated by 'a deepening crisis of funding in UK higher education' (Parry, 2007: 56) which in turn had been provoked by the inconsistent government policies of the previous decade (Watson & Bowden, 2007). One of the major proposals of the Dearing Report was to expand the proportion of 18 year olds participating in higher education from its then capped level of 30%. This was 'both for reasons of keeping up with other countries' and to satisfy parental and student demand for higher education, 'a main vehicle for upward social aspiration' (Rustin, 1998: 325). This expansion was to be funded not only by tuition fees but a graduate tax, with the existing level of unit resource being kept. Having supported the Dearing investigation in their manifesto for the May 2nd 1997 general election

the New Labour government returned in that election adopted a 'more severe' version of this funding proposal in the form of a student loan system (*ibid.*). Rustin considers this an example of the 'continuity between the post-Thatcherite and New Labour regimes' (*ibid.*), a continuity that preserves the general policy of 'defunding' and managerialism.

Blake *et al* discern a 'certain culture of its own' in the Dearing Report – 'an educational culture that is seriously depleted' (1998: 5). They fear that with its reproduction of the utilitarian agenda of governments for higher education – that HE must primarily contribute to the national economy – the report's conception of higher education emphasises skills and flexibility rather than in-depth and critical inquiry of the sort that allows academic disciplines to make progress and which sustains the growth of knowledge. They make the point that 'it is the growth of knowledge that fuels the modern growth economy' (*ibid.*), important as skills and flexibility might be.

Rustin, for his part, dismisses Dearing, 'established on a bipartisan political basis', as 'nothing more than a device for reconciling [expansion with funding]' (1998: 325).

> Dearing is a fitting monument to the managerial revolution in higher education. It has produced its predicted 'fix' (its members barely protesting when even this proved too fiscally demanding for the government), and has spent the rest of its hundreds of pages tinkering with the administration of the system [of surveillance and control] that has evolved over the past two decades (Rustin, 1998: 325).

2.10 'The Future of Higher Education' – White Paper of 2003

The White Paper published in January 2003 was the last significant piece of government policy to be effected before the strategic plans analysed in this study were written. It increased overall funding by 6% but most of this increase was earmarked as to how it should be spent, with a particular focus on supporting research. Essentially it extended the narrative of governments from the previous two decades, namely that of the need to remain internationally competitive in circumstances of accelerating change. The following urgent-

sounding passage from a section headed 'The need for reform' captures the utilitarian tone of this document:

> In a fast-changing and increasingly competitive world, the role of higher education in equipping the labour force with appropriate and relevant skills, in stimulating innovation and supporting productivity and in enriching the quality of life is central (DFES, 2003: 10)

There is a primary emphasis on higher education as a contributor to economic success and competitiveness, and a secondary concern for measures to widen access to higher education for those from less advantageous backgrounds as the proportion of the 18-30 age group passing through higher education grows towards a target of 50%. The question of skills is frequently mentioned, and one telling passage puts it thus: 'to close the productivity gap we must close the skills gap' (DFES, 2003: 16). In a related proposal the White Paper introduces the concept of two-year foundation degrees developed 'with employers', and a greater vocational orientation in the taught curriculum. There is an interesting note of intention to 'involve employers in the delivery of learning' (*ibid.*: 37) – indeed 'employers play a role in designing courses' (*ibid.*: 42).

The pressing 'need for reform' is undermined near the start of the White Paper by a list of achievements of UK higher education which position it as highly successful, both in research and in teaching, particularly when compared with 'the competition' – the OECD members. Research and knowledge transfer activities via links with business are similarly lauded, with a greater proportion of research income received from companies than is the case in the USA. 'Moreover, in 1999-2000 the UK created more spin-off companies per £ million of research expenditure in universities than the USA' (*ibid.*: 27). Given such performance against, as the White Paper itself records, an immediate history of a *per capita* fall in student funding of 36% between 1989 and 1997 and a capital expenditure backlog of £8 billion, the logic for 'reform' seems rather weak. Nonetheless the White Paper advocates that research funding must be more concentrated to ensure that key research centres remain internationally comparable with the world's best. Equally, inter-university collaboration is encouraged, to 'help us preserve the best pockets of isolated research while

concentrating funding on the very best' (DFES, 2003: 21). A Higher Education Innovation Fund (HEIF) would by 2005-06 provide an annual £90m 'third stream' to support links with and joint work between business and universities in what might broadly be called 'Knowledge Transfer'. This is aimed especially at 'non research-intensive university departments' *(ibid.*: 38).

This last sentence is given greater resonance elsewhere in the document. Instigating a change so that institutions that do not award research degrees can nevertheless have the power to award their own degrees and claim the title of university, the White Paper encourages this kind of distinction between institutions, expressed in the rhetoric of 'equal opportunity': 'There is already a great deal of diversity within the sector. But it needs to be acknowledged and celebrated, with institutions both openly identifying and playing to their strengths' *(ibid.*: 20). As if to avoid any ambiguity, the 'Conclusion' section of the White Paper identifies the challenge 'To recognise and encourage diversity of role, with universities and colleges proud to be different and to play to their individual strengths' *(ibid.*: 92). This topic of intra-sector differentiation is an important one for the content of Chapter Six.

Amongst the detailed proposals in the White Paper, New Labour's policy for HE replaced the Dearing-proposed 'flat rate' student fee with a variable 'top-up' one, with a maximum of £3,000. Pursuing the logic of this partial commodification, it endorsed a national annual survey of students' opinions in order to assist students in becoming 'intelligent customers of an increasingly diverse provision' (DFES, 2003: 47). Furthermore, 'It is absolutely clear that students get different returns from different courses' (*ibid.*: 83). This observation opens the way for a discussion on 'different fees for different courses', along with the need to balance this against access being denied to students who might be priced-out of certain disciplines if a 'wholly unregulated variable fee scheme' were in place.

In another dimension in which differentials can appear, an attempt is made to encourage selective staff remuneration to 'reward good performance' in the form of HEFCE insisting that certain elements of the annual grant be tied to

'modern' 'human resources strategies'. This point is explicated further in Chapter Six.

Finally, the White Paper urges that 'we must look at ways of helping our universities' to gain larger endowments, comparable with leading US universities such as Harvard, with $18bn of endowments, Yale, with $11bn, and Princeton, which has $8bn with $35.7m or 10% of its budget donated in one year alone. In comparison 'Oxford University and its colleges have only £2bn' *(ibid.*: 19). An interesting elaboration of this theme appears at the end of the White Paper. Whilst a commitment is made that the government will continue to fund universities in future and try to reduce government bureaucratic controls on their operation, there are strong suggestions that really universities should be learning to stand on their own feet and generate income independently of government: 'universities must be free to take responsibility for their own strategic and financial future' *(ibid.*: 76). For this they will require 'strong leadership and management' and 'more financial freedom'. On this last point, 'Increasing university endowments is the route to real funding freedom in the long term' *(ibid.*), and the White Paper offers to set up a fund-matching arrangement for endowments. This is also linked to the issue of individuals benefiting from their current or previous student status: 'we are asking new students to pay for the benefits they get from higher education ... we believe that it is also right that those who have already benefited ... should be able to contribute' *(ibid.*) – meaning that alumni should contribute to their *alma mater.* Universities 'are already free and autonomous institutions ... But they do not always use the freedoms they have to the full ... we want to empower them to use the ones they already have to their fullest potential' (ibid.: 77). Charging overseas, postgraduate and part-time students 'market rates for fees' is approvingly mentioned in this connection. However, universities need to be 'dynamic and self-determining institutions' (*ibid.*). After a further discussion about the need to 'cut red tape' this section moves on to address the key issue – endowments:

> it is unrealistic to expect Government to match the total funding levels of the world's best-endowed universities. It follows that giving greater financial freedom to our universities will mean increasing the financial underpinning of the sector; widening the

number and type of sources available to it; and reducing dependence on government (DFES, 2003: 80)

Under the section heading 'Independence through Endowment', the White Paper continues: 'The way forward is through endowment. This will ensure the sector is less dependent on any single source of funding' (*ibid.*). A detailed anatomy of the different kinds of endowment and their technicalities follows, along with a list of suggested uses of such monies.

2.11 Summary

The ancient universities in England at the start of the nineteenth century were the first and only such institutions, and this alone was sufficient to guarantee their pre-eminence rather than the quality of their curriculum, teaching, or research, all of which were comparatively limited. It was not until the early twentieth century that the academic prowess for which they are renowned began to emerge (Stewart, 1989). Meanwhile in response to social and economic changes other universities with wider curricula developed. Combined with the impact of the two world wars and an expanding population, government-funded growth along with an increased level of government direction have fuelled both the number of universities and the range of their curricula. Broadly speaking this picture obtained until the early 1970s.

Two themes persist throughout this narrative. Firstly there has been a growing utilitarian emphasis in the curriculum and the role generally of universities. This was strongly apparent in the emergence of the civic universities, it was increased by the two world wars, and has been reinforced in government rhetoric and policy in the post-war period, especially with the pressure upon public spending from the 1970s onwards. Secondly, a closely related and consistent theme from the nineteenth century onwards has been government anxiety about 'falling behind' or becoming uncompetitive *vis-à-vis* other national higher education systems. These themes will be revisited in Chapter Six.

The general trajectory over recent decades has been to restrict state expenditure on universities whilst growing student numbers, and to employ a

managerialist strategy in order to help achieve this (Pratt, 1997; Rustin, 1998). For instance:

> [the] massive expansion in student numbers from 1988 to 1998 compares with the Robbins Committee [i.e. an approximate doubling] in the early 1960s, but has occurred without an equivalent increase in resources. Instead it has been accompanied by a call for increased value for money and accountability (Edwards & Miller, 1998: 48)

Writing in 1996, Fulton puts it elegantly:

> the previous formula of a single block grant, based on historic costs, has been replaced by separate resource streams for teaching and research, each competitively awarded in response to newly devised and still changing combinations of peer and external assessment and "market" indicators; there has also been great pressure on HEIs [higher education institutions] to develop new sources of external funding (Fulton, 19996: 391)

Deem *et al* (2007) argue that within universities the culture, the organisation, the management, and the discourses surrounding HE have all altered radically in reflection of the 'new managerialism'. Taylor & Steele argue that 'the state has become far more involved in higher education and the detailed operation of its institutions over the period since 1945, and especially since the rapid expansion of the system from the 1980s onwards' (2011: 10). This state involvement is partly explained by Ham & Hill:

> ... the political activities of the state are inextricably bound up with economic developments within society. From an historical perspective, much of the growth of state intervention can be explained in terms of changes in the economy (Ham & Hill, 1993: 25)

Where 'economic developments' are under stress, one might expect this to be reflected in the 'interventions' of the state. This in turn has placed the – hitherto expanding – higher education curriculum increasingly under stress. Increased government involvement has also, not suprisingly, gone hand-in-hand with increased government spending on higher education. By the 1970s university income from government sources peaked at around 75% of university revenue (Stewart, 1989).

For the purposes of the investigation this chapter has established that the higher education curriculum in England has expanded for almost two hundred years, often in response to external demands from government, industry, and wider social change. Any simplistic presumption that this expansion would be extrapolated, or even that the broad 'liberal' curriculum could continue unchanged, has been brought into question by pressures in the funding domain. As was noted in Section 1.3 it appears that universities are increasingly being operated as businesses, and evidence consistent with this case will be elaborated in Chapter Five. The main work of this investigation is to uncover the business models that universities contain by analysing their corporate plans. The rest of this inquiry will then discern how matters are being played out using the 'lens' of the business model. Hence the next chapter elaborates on the concept of the business model in some detail, and its relationship with the curriculum is sketched.

Chapter 3 – Business Models and Curriculum Change

The purpose of this chapter is to examine conceptions both of the business model and also of curriculum change. These two entities are the conceptual tools – the lenses – through which the field of the investigation is viewed. Since this investigation is concerned with change in the HE curriculum, this chapter will also discuss business model change and will relate that to curriculum change. Before these matters are addressed, Section 3.1 provides an overview of key debates concerning the recent history of universities, and Section 3.2 will discuss the strategic management of universities so that subsequent issues of strategy, business models and business plans can be seen in relation to each other.

3.1 Key Debates

Having outlined the recent history of higher education in England with a bias towards post Second World War developments, it will be useful to draw out some key issues that have fuelled debate around this increasingly contentious field. This should help to situate this history in a wider context, both internationally and in terms of wider debates about the changing nature of higher education. Such studies emphasise the pressure from respective national governments on their universities to become more like businesses, this being the single most powerful driver of change. However, none of these studies address the business model aspect.

3.1.1 Academic Capitalism, Entrepreneurialism, Enterprise

Slaughter and Leslie (1997) observe that academic work altered in the 1980s towards a greater emphasis on revenue generation. Based on data from universities in four Anglophone countries and drawing on resource dependence theory they propose the notion of 'academic capitalism' to encapsulate this phenomenon. In this context resource dependency means that academics will do whatever is necessary to maintain their resourcing (Marginson & Considine, 2000). Slaughter and Leslie also use case studies from the first half of the 1990s, mostly from Australia, and focus on 'technology transfer' as a new stream of income, less dependent on government resourcing. Seeking this source of revenue was spurred in the USA by the government's decision with

the Bayh-Dole Act of 1980 to grant patent-holding rights to universities, even when the research was originally government funded. This encouraged US universities to win contracts and grants for applied research in science and technological research-and-development that had near-term commercial application. By contrast longer-term and 'purer' research driven by the needs of autonomous discipline inquiry became less favoured. Slaughter and Leslie's research shows that in Australia by 1997 higher education earned 15% of its income from various fees and charges – much of this consisting of technology transfer and international students' fees – compared to less than 3% a decade earlier. Slaughter and Leslie argue that this kind of university operation amounts to a kind of state-sponsored entrepreneurship, with new imperatives replacing the more traditional academic ones, although they make clear that generating income is not the sole priority in this pattern they identify as 'academic capitalism'. They note that there is more scope for revenue seeking in some disciplines than others as Collini (2012) and Shapin (2003) have also observed, and that academics are not the only personnel engaged in this type of career shift; some administrators have also become key to this revenue-seeking process (Lowen, 1997; Marginson & Considine, 2000).

Slaughter and Leslie's use of the concept of 'profit' is problematical in the context of organisations that are non-profit-making. They appear to conflate profit and revenue. Indeed their usage of 'capitalism' itself, as profit-based economic system, seems a little under-theorised. For instance, to underpin an idea of profit one ideally needs a theory of value – such as that of Adam Smith or Karl Marx. Also one should be able to discuss the phenomena of 'normal' capitalist operation such as capital accumulation, or be able to discuss an organisation's performance in the usual 'business' terms using parameters such as Return On Capital Employed. Slaughter and Leslie's rather loose employment of the idea of capitalism is reflected in that their book offers two different definitions of the term 'academic capitalism'. Definition One of academic capitalism is simply 'institutional and professorial market or marketlike efforts to secure external moneys' (1997: 8). This seems to propose an identity between the market mechanism and capitalism. This identity is difficult to support either in theory or in practice – consider the internal market of a non-

profit non-capitalist welfare service such as the NHS (Pollock, 2004). Later in the book Definition Two of academic capitalism appears:

> Activities undertaken with a view to capitalizing on university research or academic expertise through contracts or grants with business or with government agencies seeking solutions to specific public or commercial concerns (Slaughter & Leslie, 1997: 217)

Passing over the loose term 'capitalizing', this definition, which does not include mention of the market, seems close to the usual idea of entrepreneurship in Schumpeter's sense of a person – the entrepreneur – controlling resources that they do not necessarily own in a fresh configuration and thereby making them unavailable for their original purpose – Schumpeter's famous phenomenon of 'creative destruction' (Bissett, 2009: Schumpeter, 1983). Despite this under-theorisation, Slaughter and Leslie's work contains many valuable insights informing the view that higher education is both more like a business and has more links with business proper.

Pursuing the idea of entrepreneurialism, Clark (1998) assesses the nature of what he sees as 'the entrepreneurial university'. This surveys developments at Warwick and Strathclyde in the UK, Chalmers University of Technology in Sweden, the University of Twente in the Netherlands, and the University of Joensuu in Finland. In Clark's view these five institutions became more entrepreneurial in character in order to become more independent of their respective governments. Of relevance to the findings and discussion presented in Chapters Five and Six of the present study is that Clark sees common elements of increased and centralised managerialism, a 'periphery' of fluid research centres, a diversified funding base, and a modification of traditional academic practice towards greater entrepreneurialism. Clark has deliberately chosen middle-ranking institutions rather than including universities that have long been at the forefront of their national higher education systems the better to uncover the changes in the subtle balance of factors that make for greater academic 'entrepreneurialism'.

Elsewhere (Bissett, 2006b; 2009) it has been argued that entrepreneurialism, whilst not utterly inimical to traditional academic functions, is, when considered

in its Schumpeterian sense, likely to be a diversion from such functions as teaching and also the 'purer' type of research that is guided predominantly by the imperatives of the discipline only. Such imperatives are already under pressure in the UK: 'the quest for research funds has tempted academics to shift their research so that it meshes with the missions of research councils' (Dearlove, 2002: 263). In similar vein from the USA Bok (2003) has cautioned that core values must be held fast unless excessive commercialisation of higher education weakens the academic mission of the university.

In a near-contemporaneous study to those of Clark and of Slaughter and Leslie, Marginson and Considine (2000) address the governance dimension using a three-year study of seventeen Australian universities during the 1990s. Their study has wider relevance; as these authors point out, many countries in the Anglophone world are exhibiting similar changes in their higher education, as 'the post-second world war concord which saw universities accept their place as servants of an expanding definition of the public interest has begun to fracture' (*ibid.*: 3). Rather than 'academic capitalism' or 'entrepreneurial university' Marginson and Considine prefer the term 'enterprise university', the better to express the hybrid nature of such organisations. 'Money is a key objective, but it is also the means to a more fundamental mission: to advance the prestige and competitiveness of the university as an end in itself' *(ibid.*: 5). They see enterprise universities as operating in a 'pseudo-market' driven by under-funding and 'a frankly commercial and entrepreneurial spirit' (*ibid.*: 4). Yet these institutions are not pure, for-profit, businesses. Their culture is:

> not so much a genuine private business culture, as a public sector variant in which certain of the conditions and techniques of business (such as competition, scarcity, marketing, goals defined in money terms) have been grafted onto existing bureaucracies now opened up to external pressures (Marginson & Considine, 2000: 236)

Certainly the maximisation of income is a highly significant motive in their operation, but other factors such as gaining status and prestige, both amongst their peers and in the public eye, are as important. Marginson and Considine acknowledge that their analysis is broadly in accord with Clark's (1998). It also echoes Lowen's (1997) analysis, which reaches further back into the Twentieth

Century, of Stanford University in California. Lowen describes how Stanford gradually accreted an assembly of research institutes, forever seeking the next – preferably larger than before – research contract in a self-perpetuating cycle of growth which possessed its own momentum. Along with income growth and the accompanying increase in size of a given research institute, Lowen emphasises growth of status as a key end in itself. Lucas's (2006) account of the search for income in the research dimension in UK universities chimes with and updates Lowen's narrative, but also explicitly introduces the idea of the growth in power conferred by success in playing the 'research game'.

Marginson and Considine make an interesting observation which can be related to business models. Although 'The private and commercial side offers greater potential for institutional discretion and independence, and is becoming more central' (*ibid.*: 236):

> The paradox of this new openness to outside funding and competition is a process of 'isomorphic closure' through which universities with diverse histories choose from an increasingly restricted menu of commercial options and strategies (Marginson & Considine, 2000: 4)

Such a 'menu' includes a more managerialist style of governance along with greater organisational flexibility, entrepreneurialism, international development, and distance education. Marginson and Considine consider that Clark's empirical findings broadly agree with theirs, and Chapters Five and Six of the present study uncover phenomena that can be related to the findings of these two studies.

Marginson and Considine conclude that, whilst some universities have shown considerable 're-invention', those that have always been the most prestigious still remain at the top of the tree. In Australia, 'a decade of more intensive competition has improved their marketing techniques but has not turned them into aggressive innovators, or produced new and vibrant competitors for the hegemony: the top echelon of the pecking order remains exactly the same' (*ibid.*: 233).

Further work by Slaughter and Rhoades (2004) extends the idea of 'academic capitalism' to include not only technology transfer in the increased significance to universities of intellectual property rights, but of educational materials themselves, often delivered electronically through virtual learning environments such as 'Blackboard'. They make the observation that this represents a further commodification of higher education 'not just in technoscience fields in research universities but in virtually all fields and classrooms in all types of institutions' (*ibid.*: 11). They note that patents held by US universities increased tenfold in the twenty years following the Bayh-Dole Act, and that the number of US scientific articles in academic journals shrank by 9% in the years 1992-97, apparently reflecting the desire to retain rather than share commercially exploitable knowledge. Echoing Marginson and Considine's Australian findings, Slaughter and Rhoades record that the top one hundred universities in the USA hold 90% of university-owned patents, and that two-thirds of university patent income is accounted for by just thirteen US universities. They see academic capitalism characteristically as fostering new 'circuits of knowledge' between universities and private sector business; the development of 'interstitial' organisations such as university patent offices employing lawyers and managers, marketing arms, joint industry-academia groups, lobbying organisations and so forth; and enhanced managerial capacity in universities to support and extend the new income streams. Whilst their study retains the more subtle idea from the earlier work by Slaughter and Leslie (1997; 2001) that academic agency also features in the increased marketization of higher education, rather than crudely positing marketization as being solely imposed from without, their concentration on the USA and their adherence to the concept of profit means that this work is of less relevance to English universities. For example as will be discussed in the next chapter most English universities have charitable, not-for-profit, status. The view of Marginson and Considine (2000) that universities have become 'enterprising' rather than 'capitalist' has more resonance for the UK higher education system.

Slaughter and Rhoades also attempt to re-theorise their concept of academic capitalism, moving away from the theory of resource dependency and drawing somewhat eclectically upon the ideas of Manuel Castells, Michael Mann, and Michel Foucault. Whilst the latter's writings present many interesting ideas on

the distributed nature of power, its links with knowledge and discourse, and the way in which individual actors can be complicit in its exercise, Foucault's heavily subjectivist epistemology places this theorisation away from the focus of the present work, which claims a constructionist epistemology. For instance, another way to explain academic embroilment with 'academic capitalism' stems from the managerialist habit of designating financial entities – usually termed 'cost centres', 'business units' or 'budget holders', in counterdistinction to traditional academic disciplines – and then devolving to them the requirement to make up reduced funding, obliging the academics therein to become complicit with the search for new income streams.

Marginson and Considine reflect on the curious nature of universities as a paradoxical blend of innovative and tradition-bound, questioning and compliant, radical and conservative, an observation echoed by Dearlove (2002). This also emerges in the studies of Slaughter, Leslie, and Rhoades, which reveal many academics and university administrations actively seeking to deploy more commercial forms of operation. Perhaps this should not be surprising. Berdahl remarks that in the UK early as 1946 'The Vice-Chancellors' Committee itself issued a Note ... welcoming more definite state guidance channelled through the U.G.C.' (1959: 189) as an example of voluntary compliance on the part of autonomous universities in respect of centralised direction from government. The sensitivity of the leadership of English universities to government inspired *zeitgeist* is further reflected in the CVCP's instigation of the 1985 Jarratt Committee (and their subsequent implementation of its recommendations). Finally, the role of academic agency in accepting market competition is also strongly evident in Lucas' accounts of some academics 'playing' the research 'game' with alacrity, whilst some are discomforted (2004; 2006).

This competitiveness with which academics and university administration strive for income in the market is viewed by Shattock (2003) as an effective mechanism for enabling subventions to be directed to the most appropriate recipient. In his interpretation the UGC, until 1981, distributed funds on an egalitarian basis. His critique of the UGC (and implicitly of the research funding councils) runs against the generally approving writings of other authors, for example Berdahl, who remarks of four decades of UGC operation: 'The British

have done exceedingly well in reconciling the principles of central planning, accountability of public funds, and university autonomy' (1959: 192).

3.1.2 Widening Participation in Higher Education

Finally in this section a further significant strand woven into the expansion of higher education is addressed – that of widening participation. If higher education is to be expanded to include, as the New Labour 2003 White Paper 'The Future of Higher Education' advocated, 50% of the 18-30 year-old age group, the question is posed 'who will this enlarged group of people be?'.

The commitment to social inclusivity in higher education was enshrined in the Robbins Report of 1963, although Berdahl (1959) notes an earlier expression of this aim. Robbins argued, in line with much equal opportunities reasoning from later decades, the semi-utilitarian proposal that untapped talent was being wasted, and that under-represented socio-economic groups should be given the chance to engage with higher education with the forthcoming doubling of participant numbers. Holmwood (2011) sees the Robbins expansion as a continuation of the 1944 Education Act, with a similar 'social justice' agenda.

Greenbank (2006) notes the untidy nature of widening participation policy formulation, with Conservative governments concentrating on the need to expand higher education to serve the perceived needs of a new 'knowledge economy', and subsequent New Labour government policy tending to emphasise the social justice dimension. However, this is last tendency is only true up to a certain point. The New Labour government elected in 1997 broadly endorsed that year's Dearing Report with its 'strong emphasis' in widening participation, but curtailed its proposal for means-tested grants to assist with students' living expenses (*ibid.*). Likewise the 2003 White Paper permitted universities to charge variable tuition fees of up to £3,000 per annum: 'This policy can be seen as consistent with New Labour's adoption of market values and the notion that HE represents an economic investment' (*ibid.*: 158). Greenbank goes on to note that the 2003 White Paper had a 'remit to consider "equal opportunities" rather than more radical concepts of social justice' (*ibid.*: 158) and that New Labour had 'adopted a conservative approach to social issues that stressed "equality of opportunity" rather than "equality of outcome"'

(*ibid.*: 148). Nonetheless various measures and directives to HEFCE aimed at widening participation emanated from New Labour governments.

In the USA Slaughter and Leslie (2001) claim that universities trying to optimise their revenues against their costs attempt to enrol 'the right mix' from 'the student market', that is, students who can pay reasonable tuition fees, achieve academic success without requiring significant support, and go on to become generous donors as alumni. They argue that this militates against deserving applicants from lower socio-economic groups: 'those left out are most often lower middle-class and working-class students who do not know how to negotiate for discounts. "Getting the right mix" means the institutional product is enhanced in terms of exclusivity and "quality" while meeting costs in a more competitive era' (2001: 158). Slaughter and Rhoades expand the picture, noting that the increased stratification of universities in the USA creates differential markets in higher education:

> More institutional and faculty attention is directed towards those student markets that can afford to pay more, and fewer opportunities are available to low-income and historically underserved students of color, who are less able to pay and less likely to be flowing into new economy fields of employment. As colleges and universities shift toward revenue generation through academic capitalism, they invest less in historic, democratic missions of providing increased access and upward mobility for less advantaged populations of students (Slaughter & Rhoades, 2004: 308)

How far this phenomenon will appear in the UK is unclear. The Dearing Report of 1997 pays close attention to measures that will promote equality of access across the socio-economic spectrum, including university partnerships with local schools in order to 'demystify' higher education and promote access. As will be seen in Chapter Five of this work, analysis of the twenty business plans shows that universities seem to have taken such provisions seriously. Indeed the greater the likely perception that a given university is 'élite', the more its business plan is likely to foreground its provision of, for instance, bursaries to encourage less advantaged applicants. Possibly such sensitivity to accusations of unfairness has been fuelled by press-driven 'scandals' based upon ostensible discrimination (Guardian, 2008). Similar considerations may have stimulated the

creation of the Office for Fair Access (OFFA) alongside the introduction of variable tuition fees in the 2003 White Paper. OFFA's powers as a 'quango' include approving and monitoring 'access agreements' and imposing financial penalties on any university deemed to have acted unfairly. All English universities and colleges that charge higher fees must have an 'access agreement' with OFFA, which stipulates how the institution will facilitate wider access through measures such as bursaries and outreach initiatives. Targets and milestones must be included in this policy. The White Paper also issues a series of detailed directives to HEFCE concerning widening participation (Greenbank, 2006).

Writing in 1974, Trow observes:

> when the proportion of the whole population [in HE] comes to be about 50 percent, and in certain sectors of society it is then of course much higher, attendance in higher education is increasingly seen as an obligation: for children from the middle and upper middle classes, in European countries as well as in the United States, failure to go on to higher education from secondary school is increasingly a mark of some defect of mind or character (Trow 2010: 95)

Wolf's study (2002) chimes with this. Writing of the UK she notes that entrants to higher education have always been predominantly drawn from the middle classes, and that the expansion to the date of her publication had not altered the proportion of people from lower socio-economic groups, although Watson and Bowden (1999) note a 'marginal' increase in the proportion of children from working class families entering higher education between 1990-91 and 1995-96. Given the proportionately small expansion since 2002 it would be unlikely that this picture has altered. Figures presented by Mayhew *et al* prompt them to remark of the lower socio-economic groups that 'in absolute terms their participation rate *has* increased' since 1960 (2004: 71). They continue: 'Access has improved, though not as significantly as policy makers might have wished ... the relative chances of lower socio-economic groups have hardly altered' *(ibid.*: 72). Certain universities and disciplines reflect this markedly (Comptroller and Auditor General, 2002).

Wolf, like Trow, discusses the pressure to participate in higher education as the numbers rise: the fuelling of the semi-compulsory participation described by Trow and Wolf stems from the expectation by employers that employees will have graduate level qualification (Thomas, 2001). Thomas also notes that, as increasing numbers of people have such qualifications, then 'differentiation' is fostered 'in the post-compulsory education sector on the basis of institution, subject and qualification level and grade (or degree classification)' (2001: 26).

Whilst female students, and also students from ethnic minorities, are now over-represented in higher education, the stubborn persistence of female under-representation in some disciplines is clear; such 'pockets of low representation' in some subjects including computing and engineering continue to exercise government policy making (Comptroller and Auditor General, 2002: 6). This is despite some decades of initiatives such as Women Into Technology – WIT – and Women Into Science and Engineering – WISE (Bednar & Bissett, 2001).

3.2 Business Plans and Strategic Management

From the Jarratt report onwards, English universities have become much more like businesses in their management and organisation. As Dearlove puts it: 'The Jarratt Committee (1985) challenged the conventions that were part of the traditional two-tier system of university governance ... The Committee regarded universities as "corporate" organisations that needed to engage in "strategic academic and financial planning"' (2002: 260). Developments subsequent to Jarratt have reinforced this tendency to replicate corporate governance structures and behaviours (Collini, 2012: Shattock, 2003). This provides the context of the strategic (or business) plans that form the raw data for this study. Dearlove (2002), like Clark (1998) accepts that universities must become more enterprising in seeking revenue in the changed circumstances of the last three decades and that this requires a more effective and probably more centralised management. Both broadly concur that governance should be by a 'blend' of academic collegiality and professional management. Dearlove remarks that neither managerialism nor collegiality themselves are adequate for the future of either university governance or management. Managerialism he sees as too far

removed from the substantive business of teaching and research, whilst academics

> have a material interest in the maintenance of the status quo and, given the pressures on their time – the reality of massification and 'publish or perish', they will also be reluctant to engage in the hard work that is needed if an institutional change is to stick and become embedded in the daily practice of work (2002: 264)

In the decade that has passed following these two writers' observations little has changed in the areas of governance and management, and an optimal solution remains elusive. Notwithstanding, HEFCE insists that strategic planning is essential and requires universities to submit such plans (*ibid.*).

For some writers such as Porter (2004) a strategic plan is a taken-for-granted idea, the outcome of a rational process which, once formulated, is put into effect by the rest of the organisation. This is not to say that strategy is simple, but that the concept is unproblematical. Porter defines strategy as 'an internally consistent configuration of activities that distinguishes a firm from its rivals' (*ibid.*: xvi), and for a business unit such a strategy 'is the route to competitive advantage that will determine its performance' (*ibid.*: 25). Mintzberg and Lampel classify Porter, and this view of strategy generally, as part of the prescriptive 'positioning school', in which 'strategy reduces to generic positions selected through formalized analyses of industrial situations' (2003: 23).

Whilst Shattock (2003) raises some criticisms of the practicalities of strategic planning in the university, Jarzabkowski (2005) is critical of much established theory of strategy. She argues that the rationalistic process often assumed in research on strategy is rooted in 'positivist economic assumptions' *(ibid.*: 3), this being an unhelpful paradigm which encourages an analysis that is often too coarse-grained to catch the actions and interactions of the actors involved. Strategy formation and implementation is not necessarily a process of top-down command, wherein strategy is 'an output of the organization as a coherent, collective whole' *(ibid.*: 4), but rather an emergent, not fully intentional phenomenon. Equally she is concerned to capture the influence of senior level managers, and not simply to dichotomously posit strategy formulation and operation as an emergent 'grass roots 'bottom-up' process *(ibid.*: 5).

In her view strategy should be seen as 'a socially accomplished, situated activity arising from the actions and interactions of multiple level actors' *(ibid.*: 6). Elaborated a little further, Jarzabkowski's dialectical analysis is evident, and is reminiscent of Danermark *et al*'s 'both and' rather than the static 'either or' thinking (2002). Jarzabkowski sees strategy:

> as a flow of organizational activity that incorporates content and process, intent and emergence, thinking and acting and so on, as reciprocal, intertwined and frequently indistinguishable parts of a whole. For example, the content of a firm's strategy is shaped by its process, which feeds back into the content in ongoing mutual construction (Jarzabkowski, 2005: 7)

Fundamentally this is a socially constructed phenomenon:

> people do strategy. Strategy as a practice arises from the interactions between people, lots of people – top managers, middle managers, employees, consultants, accountants, investors, regulators, consumers. While all these people might not be designated formally as 'strategists', their actions and interactions contribute to the strategy of an organization (Jarzabkowski, 2005: 8)

Perhaps not surprisingly, Jarzabkowski talks of 'the messy realities of doing strategy as a lived experience' *(ibid.*: 3), and Mintzberg (2003) too sees strategizing as 'messy' and sometimes 'emergent' (2007).

This view of strategy is a comfortable 'fit' with the constructionist epistemology of this dissertation as discussed in Chapter Four, and captures much of the nature of the university strategic plans analysed in Chapter Five. University strategic or business plans are the iterative product of working parties, committees, top-level managers and academics, middle managers and rank-and-file academics, reviews, staff meetings, individual submissions, and many other flavours of staff engagement. For a report that will be publically disseminated a lengthy drafting and reviewing process is to be expected. The result must be acceptable for 'internal consumption' as well as for submission to HEFCE.

Given all of the foregoing factors in strategy formation, it can be surmised that the output of strategizing with which this study is concerned – a business plan, corporate plan or strategic plan – might have a rather contingent nature. Jarzabkowski's subtle view of strategy as practice, paying attention to the interactions between process, organisational practices, organisational structure and individual agency leads one to imagine that such plans could have a primarily formalistic or symbolic nature; stated intention might not translate very directly into actual practiced policy or to operational detail; emergent phenomena might supplant the stated policy. For instance, organisational structures such as powerful committees might 'filter' or otherwise modify the official strategy, or perhaps individual actors might be in a position to bypass or subvert the intended strategy, as Dearlove (2002) contends. Consonant with this, Jarzabkowski and Wilson (2002) found that, in a university, some strategy work was done informally and later acted on in formal meetings. However, in their study of strategizing at Warwick University they found that considerable weight is in fact given to the strategic plan:

> Strategic intent is clearly articulated in the Warwick Strategic Plan. While the plan is rarely explicitly referred to in strategic level discussions, it is apparent , from convergence of interview, observation and documentary data, that it underpins [Top Management Team] strategic decision-making (Jarzabkowski and Wilson, 2002: 363)

They conclude 'while a number of exogenous and endogenous factors are influential, specific strategic actions are consistent with intent' (ibid.: 364). Thus based in this example it seems reasonable to expect that university strategic plans do legitimately capture intent, and that the intent they express is acted upon, despite the more general reservations raised by Jarzabkowski.

The next section locates business models in relation to strategy.

3.3 The Business Model Concept

Teece remarks that 'business models are necessary features of market economies where there is consumer choice, transaction costs, and heterogeneity amongst consumers and producers, and competition' (2010: 176). As will be demonstrated in Chapters Five and Six, all of these conditions

are currently met in higher education in England, legitimating the use of the business model concept. Wheelen & Hunger (2010) present a simple definition of a business model; they regard it as a company's method for making money in the current business environment. Magretta (2002) elaborates a little further, describing a business model as a story that explains how an enterprise works. It has a plot 'that turns on an insight about value', and answers questions concerning who the customer is, how money is made, and the nature of the underlying economic logic concerning the delivery of value to the customer (*ibid.*: 86). It provides a systemic picture of how the whole business works. 'A good business model begins with an insight into human motivations and ends in a rich stream of profits' (*ibid.*). Although a business model might function 'much like a strategy' according to Magretta, like Porter (2004) she emphasises that strategy is a related issue that deals with the significant dimension of competition. Here, 'a competitive strategy explains how you will do better than your rivals. And doing better, by definition, means being different' (Magretta, 2002: 90). Given two enterprises using the same business model, one business can become much more successful than the other by using a different – unique – strategy. (Magretta uses the example of the US retailers Wal-Mart and Kmart). The same business model may also be used in different markets – it is the strategy that changes, in Magretta's view.

In Casadesus-Masanell and Ricart's analysis, the business model is a subordinate part of the organisation's strategy: '*strategy* refers to a firm's contingent plan as to which business model it will use', the word 'contingent' signifying that 'strategies should contain provisions against a range of environmental contingencies' (2010: 204). Therefore *inter alia* 'strategy entails designing business models … to allow the organization to reach its goals. Business models are *reflections* of the realized strategy' (*ibid.*) They can be thought of as an 'action system' created by strategy (*ibid.:* 203). As a corollary to this Casadesus-Masanell and Ricart remark that 'while every organization has some business model (because every organisation makes some choices and the choices have consequences), not every organization has a strategy' *(ibid.*: 206).

Somewhat more formally than Magretta, Johnson *et al* (2008: 52) say that a business model consists of 'four interlocking elements' that together create and deliver value. The first and most important element is the Customer Value Proposition; this is a way to create value for customers by helping them to 'get an important job done'. The CVP is most powerful when the offer to the customer most perfectly fits their needs. The second element in the business model is the Profit Formula – the 'blueprint that defines how the company creates value for itself while providing value for the customer' *(ibid.*: 53). In turn the profit formula consists of a revenue model (i.e. price multiplied by volume) and against this a cost structure detailing the costs incurred by providing the valuable product or service for the customer. The profit formula also details the profit margin and the 'resource velocity' – how quickly inventory and other assets need to be utilised. Thirdly a business model will identify Key Resources (such as people and technology) that are required, and fourthly the business model will identify Key Processes (which also includes the company's rules, metrics and norms of operation). The CVP and the profit formula define value for the customer and the company respectively; key resources and key processes describe how that value will be delivered.

Like Magretta, Johnson *et al* are at pains to emphasise the interconnectedness – the systemic nature – of the components of a business model:

> … its power lies in the interdependencies of its parts. Major changes to any of these four elements affect the others and the whole. Successful businesses devise a more or less stable system in which these elements bond to one another in consistent and complementary ways (Johnson *et al*,2008: 53)

Johnson *et al* go on to argue that it is not necessarily these four individual elements of a business model that make a difference to the success or otherwise of a business, but that the relationship between the elements can be the critical factor. This idea is familiar from systems thinking, and it is partly what defines a collection of entities as a system (Checkland, 1985).

A typical starting point in the formulation of a business model will usually be the Customer Value Proposition. Johnson *et al* remark that this element is 'the most important element to get right, by far' (2008: 52). They go on to identify four

'barriers' that prevent the customer from obtaining what they desire (or 'getting an important job done'), namely insufficiencies in 'wealth, access, skill, or time' (*ibid*: 55). They claim that the more closely an enterprise can tailor its CVP to the customer's needs, to circumventing the 'barriers', then the more effective the business model will be. 'Opportunities for creating a CVP … are at their most potent … when alternative products and services have not been designed with the real job in mind, and you can design an offering that gets that job – and only that job – done perfectly' (*ibid.*: 52). One example that Johnson *et al* approvingly offer is that of a hospital in the USA that specialises in pulmonary problems, rather than being a general hospital that treats all diseases. The latter, they argue, results in 'not just in a lack of differentiation but dissatisfaction' (*ibid.*: 55). The specialist hospital, on the other hand, by 'narrowing its focus' permits its resources (both human and technical) to work in a closely integrated fashion (*ibid.*). One might sound some cautionary notes here: developing a niche enterprise such as this may reduce the ability to adjust to altered circumstances. In systems thinking this is couched as Ashby's Law of Requisite Variety (Checkland, 1985). Furthermore, there may be good 'technical' reasons why such a level of specialisation may be counterproductive for the customer – there are strong arguments, for instance, in favour of holism in medical practice rather than employing the reductionist practice of merely seeing the patient as a set of symptoms that one happens to specialise in treating. Finally, it may be that in the business world the customer in fact wishes for a degree of generalism rather than specialisation due to the nature of their own enterprise.

Some eleven different business models are summarised by Wheelen & Hunger (2010: 190-191):

1) **Customer Solutions Model:** IBM for example. In this model the business sells expertise not products. It aims to improve customers' operations. It effectively operates via consultancy;

2) **Profit Pyramid Model:** For example General Motors. Here the customer buys basic products then moves up the product hierarchy. Having a wide range of models also closes possible competitors' niches;

3) **Multi-Component System / Installed Base Model:** A classic example is the Gillette company. Their razors are sold to 'break even' – the refill blades are the profitable product. Another example using this business model is Hewlett Packard with their electronic printers and refills of ink or toner. These refills account for more than half the company's profits but are less than 25% of its sales. In essence the product is a system, not just one item, but one component provides most of the profits;

4) **Advertising Model:** This is not dissimilar to the previous model; it offers the basic product (for instance a newspaper) for free and makes its revenues from advertising. This also appears in some on-line businesses and in much television and radio broadcasting, where a 'spoonful of sugar' (the entertainment) helps to make the advertising 'medicine' palatable;

5) **Switchboard Model:** E.g. an independent financial advisor. The business is an intermediary that connects multiple buyers (investors in this example) with multiple sellers (fund managers, insurers, and so on). On-line examples include Amazon and eBay;

6) **Time Model:** The aim of the business is to be first to market by means of innovation and by pioneering new products. Research and development and speed are the keys. An example company using this business model would be Sony. An innovative product has high margins and no competition. The enterprise can move on when competition with lower margins enters the market;

7) **Efficiency Model:** Examples using this business model are Dell and Wal-Mart. Following product or service standardisation, such enterprises enter the market with a low-cost, low-margin, high-volume offering that appeals to the mass market;

8) **Blockbuster Model:** Pharmaceutical businesses and successful movie film production companies exemplify this business model. There are just a few key products that require high investment but which generate high profits. Earnings can also come from patents and other forms of intellectual property rights;

9) **Profit Multiplier Model:** The Disney Corporation is an exemplar here. Profits are made from spin-offs from a well-known (but not necessarily profitable) product. Revenue comes from high-margin merchandising and licencing;

10) **Entrepreneurial Model:** Micro-breweries might be an example of this business model. Such enterprises perform research and development for specialised and innovative products that may not necessarily proceed beyond the prototype stage, and they then sell themselves out to a much larger business. The specialised product or service is for small niche market initially, and may be unprofitable on its own, but it has potential to grow quickly;

11) ***De Facto* Standard Model:** An example would be the Internet Explorer Web browser program which, when packaged for free with Windows running on approximately 75% of personal computers, displaced its competitor Netscape. Such a product is free or at a very low price in order to saturate the market. Once users are locked in to this *de facto* standard, higher-margin products using that standard are offered.

Dess *et al* (2005: 277-279), whilst broadly concurring with much of this list, proffer five more business models that Wheelen & Hunger do not identify:

12) **Subscription Based Model:** A flat fee is charged for providing a service or proprietary content, often of a specialist nature. An Internet service provider or a magazine publisher represent examples of this business model;

13) **Fee for Service Model:** A pay-as-you-go model for ongoing services, such as those provided by a utility company; activities are 'metered' and customers only pay for the amount of service used;

14) **Commission Based Model:** The business is an intermediary, and earns commission on each transaction that it undertakes. Examples would be stockbrokers and mortgage brokers. Value is added by providing expertise and broadening the range of possibilities;

15) **Production Based Model:** this is essentially manufacturing in the traditional sense, although novel efficiency factors may be introduced in the process of taking raw materials and using them to make higher value products. For example, Dell employs a customised assembly process to produce personal computers tailored to the customer's needs;

16) **Merchant Model:** the business model is similar to an arbitrage operation. Rather than producing anything the enterprise acquires a product, increases ('marks up') the price, and sells it on at a profit. This might be done wholesale or retail. Dess *et al* identify Amazon as an example of this business model.

This list of sixteen business models is non-exhaustive, and variations upon these models are also possible. For example, Johnson *et al* describe Apple's iPod product system as the Gillette model (number three in the list above) 'in reverse' – the iPod device is effectively the high-margin 'razor', and the downloaded audio-visual files are the low-margin 'blades' (2008: 52). Evidently some interpretation is involved in assessing the relevant business model: Dess *et al* (2005) locate the instance of Dell Computers in the 'production-based' model (number fifteen in the list above) rather than the 'efficiency model' (number seven) as located by Wheelen & Hunger (2010). And Dess *et al* place Amazon in the 'merchant model' rather than the 'switchboard' model of Wheelen & Hunger. This reflects a difference in emphasis when assessing a given enterprise. One might conclude that the 'efficiency model' represents a particular variation on, or subset of, the general 'production based' business model. Similarly one might judge the '*de facto* standard' model to be a specific refinement of the 'profit pyramid' model.

In connection with higher education, one might judge that certain business models would not be relevant, and equally that others would be likely candidates to make an appearance in the study. Higher education essentially concerns service provision rather than manufacturing, for instance, although the distinction between service and manufacturing in some of the models above is not especially sharp. The services provided by universities may be understood to be threefold – teaching, research, and knowledge transfer. This last service broadly includes consultancy and applied research and development. A putative shortlist of seven candidate business models for higher education might be: Customer Solutions (consultancy); Profit Pyramid Model (teaching – sub-degree, degree, postgraduate); Time Model (both teaching and research); Efficiency Model (teaching); Blockbuster (for both teaching and research); Entrepreneurial Model (research and development); Fee for Service (teaching, research, and consultancy). It might also emerge that some universities have a unique business model that does not necessarily correspond to any of the models above.

A further aspect for consideration is that most universities in England are public, non-profit organisations that, in the period covered by this study and in which the strategic plans were formulated, receive significant government funding raised from general taxation. The rules of the government funding body, HEFCE, do permit the retention of a small financial surplus of 3%, but that is all – public universities are not supposed to make profits. Most English universities in fact have charitable, that is non-profit, status for legal and financial purposes. Clearly the business models listed above are for profit-making organisations and their relevance to non-profit organisations might be questioned. A paper by Foster *et al* (2009) unpicks some of the differences between for-profit and non-profit business models, and proposes a further list of ten 'funding models' for non-profit organisations. They have identified these funding models by studying scores of large – dealing with $50m or more – non-profit organisations in the USA. They present two insights, the first one being that for a non-profit organisation such as a charity, 'beneficiaries are not customers'. They elaborate this as follows:

> running a nonprofit is generally more complicated than running a comparable size for-profit business. When a for-profit business finds a way to create value for a customer, it has generally found its source of revenue; the customer pays for the value ... When a nonprofit finds a way to create value for a beneficiary ... its has not identified its economic engine. That is a separate step (Foster *et al*, 2009: 34)

So in a non-profit organisation rather than there simply being a 'customer value proposition' there is both a 'donor value proposition' and a 'recipient value proposition', and all non-profit organisations are in effect 'two "businesses" – one related to their program activities and the other related to raising charitable "subsidies"' (*ibid.*). Hence the second insight:

> As a result of this distinction between beneficiary and funder ... nonprofit funding models need to be understood separately from those of the for-profit world ... we use the term *funding model* rather than *business model* to describe the framework ... A funding model ... focuses only on the funding, not on the programs and services offered to the beneficiary (Foster *et al*, 2009: 34)

However, by only concentrating on the funding side of the operation this might be throwing the CVP 'baby' out with the 'profit' bathwater. Especially in view of the 'customerisation' of higher education (Love, 2008) we might want to retain the 'beneficiary value proposition' dimension in a study of non-profit organisations. This point will be discussed further in Chapter Six. Meanwhile in the ten 'funding models' that Foster *et al* identify there are three that are potentially relevant to the UK higher education context:

1) **Beneficiary Builder:** this might apply to the continuous fundraising operations of universities, where former individual beneficiaries, in this context alumni, donate funds to support the organisation. Foster *et al* give the example of Princeton University, a leading 'Ivy League' private university in the USA, where in 2008 more than 33,000 undergraduate alumni donated $43.6m, representing more than 50% of Princeton's operating budget;

2) **Public Provider**: this model concerns an organisation that provides a government responsibility such as education, by contract to the government;

3) **Policy Innovator:** here government funds are secured in order for the organisation to supply a new solution to a problem or to deal with a new problem.

The Public Provider model corresponds to the teaching activity of universities, and the Policy Innovator model can describe some of the research or consultancy that is performed by universities. Until Chapter Six these issues will be left for now. It is helpful next to pay some attention to the question of change, both in terms of business model and also of the curriculum

3.4 Changing Business, Changing Business Models

'[A]ll really powerful business models ... [create] new, incremental demand', and creating a new business model is 'a lot like writing a new story' (Magretta, 2002: 87). This suggests that business models can change the business, and that changing the business model helps to promote different types of business change. The quotation from Magretta claims that is a matter of invention, a question of imagination. However, the earlier mentioned 'insight into human motivations' must also be encompassed by the imaginative leap. Citing the example of interactive television in the 1990s as encapsulating a flawed business model, Magretta notes that 'real customers' were not 'as enchanted by the technology as the engineers who invented it' (2002: 89), and that such business models are 'solutions in search of a problem'. A comparison with HE might be made here – Macfarlane (2004) has remarked that academics generally are motivated by a love for their subject. It may be that the imperatives of operating with a particular business model tends to steer the curriculum into channels that can be vocationally or instrumentally justified rather than a discipline's inclusion being based on its valorisation as something inherently good or interesting. On the other hand, Magretta claims that, providing the business model 'tells a good story', it can be used to motivate and 'align' personnel

> around the kind of value the company wants to create. Stories are easy to grasp and easy to remember. They help individuals to see their own jobs within the larger context of what the company is trying to do and to tailor their behaviour accordingly (Magretta, 2002: 92)

This implies that adopting a given business model can have an ideological dimension that might, for instance, help to override, redirect, or indeed support the enthusiasm of subject specialists in a university. This point will be developed in Chapter Six. Extending this argument a little further, Gabriel (1991) argues that the stories that are woven into the organisation's culture can have a strong emotional resonance. They sometimes have a mythopoeic character, and can 'explain' an organisation's behaviour to its members. Their power should not be underestimated.

Johnson *et al* identify five key strategic drivers for business model change. These include making previously unaffordable or over-complicated goods available; introducing a new technology to either a new or an established market; identifying a previously unmet customer need; competing more effectively by reducing costs; meeting changes in the competition's offerings. (2008).

> ... companies should not pursue business model reinvention unless they are confident that the opportunity is large enough to warrant the effort. And, there's really no point in instituting a new business model unless it's not only new to the company but in some way new or game-changing to the industry or market. To do otherwise would be a waste of time and money (Johnson *et al,* 2008: 57)

Johnson *et al* suggest a litmus test of four questions, all of which must be answered in the affirmative, as to whether a change in business model might be successful. Unsurprisingly the first question flags the need for a compelling CVP. The second and third questions ask whether an effective business model can be assembled with all four elements present, and whether the exisiting core business will permit this. The fourth question asks whether the new business model will successfully disrupt competitors.

Established businesses tend to resist change in their business model, and Johnson *et al* claim that innovations in such companies are less likely to involve the business model, citing a finding that 'no more than 10% of innovation investment at global companies is focused on developing new business models' (*ibid.*: 52). Some factors militating against change are organisational legacies in the form of targets and other normative parameters. Frequently, according to Johnson *et al,* an enterprise must 'spin off' a new business unit that incorporates the new business model in order to effect the change due to internal resistance factors. However, Johnson *et* al observe that a new business model need not necessarily conflict with the established one – indeed it may complement it.

Johnson *et al* remark that often a business will not need to change its business model: it may be that a new technology or product will work well with the established business model – the key is to meet the new CVP. When a new business model is in order, there may be false starts and consequent adjustments. 'Established companies' attempts at transformative growth typically spring from product or technology innovations. Their efforts are often characterized by prolonged development cycles and fitful attempts to find a market' (*ibid*). They remark that companies should be 'patient for growth' but 'impatient for profit', and that they have to 'tolerate initial failure' (*ibid.*). An investment in 'pilot' attempts to operate the new business model may be required before the anticipated success can be achieved.

Their final advice is to encapsulate any new technology in an 'appropriate, powerful business model' (*ibid.*). Development and exploitation of a new technology are only part of the picture – technology on its own is usually not enough to secure business success.

3.5 Business Models and Higher Education

Since all of the organisations in this study are operating in the same sector of the economy and seem to be in the same 'business', one might *prima facie* expect little variation in their approach. One commentator – himself a university vice-chancellor – remarks:

> The UK [HE] sector has a simple 'business model', with the majority of universities being modest variations on the same theme. They have characterised themselves externally as 'cut from the same cloth' and have very similar outlooks, priorities and decision variables ... the funding sources – the public purse, student fees and benefaction – are split approximately 60:30:10 (Coyne, 2009)

However, two years earlier than this Bill Rammell, the then minister responsible for higher education, told *The Times Higher Education Supplement* that "technically universities aren't part of the public sector", adding "but they do provide a public service" (THES, 2007). Possibly this remark referred to an average picture, where universities' income was not principally derived from the higher education funding councils. The picture is not so simple as Coyne implies, with some universities for instance receiving considerably more than 10% of their income from benefaction, and others receiving rather less than 60% from state funding. Because a major factor addressed in this chapter is that of change, it is worth evaluating the changes that have happened and whose effects and consequences are still being worked through. These changes ultimately stem from a major shift in the public sector of the UK economy whose origins can be traced back to the early 1970s.

Regarding the economic pressures on the public sector that have been increasingly manifest since the early 1970s, Flynn (1999: 20) writes that 'either as a direct result of these macro-economic changes, or at least in parallel with them ... [p]robably the most significant structural manifestation ... is the creation of "quasi-markets" to stimulate purchaser-provider competition in the production and delivery of a wide range of social policies'.

So although universities in England appear to operate in a similar environment, an important factor is that this environment now also contains a quasi-market.

'Public services have always operated within global budgets which have necessitated decisions about resource allocations, but recent changes ...[have] enabled the introduction of cost-led competition within the public sector' (Exworthy & Halford, 1999: 4). It should be noted at this point that cost alone is not the only determinant in some markets; the deployment of an array of

technologies such as the Quality Assurance Agency, the Research Assessment Exercise, and the National Student Survey to support the supposed determination of 'quality' has also introduced this competitive factor into the quasi-market in HE.

> The defining features of quasi-markets were that provider agencies were ostensibly non-profit, were tax-funded, and although users did not pay for services directly with cash, suppliers' revenue depended on consumer demand rather than bureaucratic allocation ... It was assumed that consumers would experience more choice and better value-for-money and providers would be forced to improve efficiency and quality, spurred by the threat of competition (Flynn, 1999: 29)

Apart from some student accommodation, universities in England have not encountered the strategic 'public-private partnerships' and 'private finance initiatives' to which some sectors, such as healthcare, have been subject (Pollock, 2004). However, some universities have made their own local arrangements with private – and public – sector enterprises, both for research and for the delivery of certain types of teaching and thus the 'supply' of some students for the latter, that is, the employees of the partners in such arrangements.

The HE quasi-market in the time frame of this study operates within fairly constrained limits: government (via HEFCE) places an upper 'cap' on the number of undergraduate students that a university may enrol in any one year, and imposes financial penalties on universities that exceed this cap. Universities are not supposed to make a profit, and there is a limit on the amount of money that they can borrow. HEFCE directs funding sporadically, releasing specific tranches of money for certain parts of the curriculum (e.g. science, technology, engineering and mathematics – STEM – subjects) or capital funding for specific projects, providing support for specialist facilities such as certain libraries and laboratories, or as Greenbank (2006) details for initiatives concerning widening participation.

Any market, even a quasi-market that is not entirely free in its operation, will generate stratification, effectively a financial reflection of the differentiation between the producer-consumer pairs.

> If a quasi-market really depends upon competition, the reality of winners and losers has to be credible, and market failures must occur. If there is quasi-competition, then there must be increased variation in the range, type and quality of services provided (Flynn, 1999: 32)

As an example of pre-marketisation 'variation' there is, for example, the issue of entry to leading universities. One might note that the Russell Group of universities have usually selected students with better academic profiles, whilst the post-1992 universities have often 'recruited' students drawn from those with lower levels of academic achievement on traditional measures such as A-level scores. To cite another example, there has always effectively been competitive bidding for research funding. It scarcely requires the addition of marketisation to produce the picture that Flynn describes:

> Within the public sector some 'entrepreneurial' professionals (and some managers) might form coalitions with some 'privileged' consumers (inevitably involving 'cream skimming' and preferential selection), and attempt to secure disproportionate shares of state funding (Flynn, 1999: 31-32)

Pre-marketised higher education, even in the perceived 'national survival' scenario of the world wars, never reached the level of control attempted in the flawed 'command economy' of the Soviet Union (Bissett, 2004). And despite Robbins' claim, noted in Chapter Two, that 'in conditions of total war [the] degree of collectivist control ... went further ... than in Nazi Germany' (1971: 177), the UGC still functioned as a 'level of indirection', albeit more so in normal peacetime conditions. This, amongst other factors such as the intellectual competitiveness of academics, social elitism, and other such 'status' factors, permitted 'space' for the stratification of higher education to develop. This stratification is manifest with some clarity at present in the form of the different groupings of universities within the education system. The existence of these bodies – the Russell Group, the1994 Group, the UA and million+ groups – help to structure this study, and to provide some insight into the different business models that might be apparent. Higher education in England, whilst nominally one system, has never been a homogeneous system. Consequently one might

expect different business models to be discernable in different strata and different universities.

3.6 Theories of Curriculum Change

The curriculum may be defined as 'the total programme of an educational institution' (Kelly, 1989: 10). If this is to mean more than a simple collection of unrelated subjects, then the rationale for this educational programme should also be considered (Barnett 1990; Kelly 1989). Within a curriculum will be different disciplines, fields or subject areas, and these will be put into operation for teaching purposes by means of a defined syllabus. A collection of syllabi will be associated with a given university course, a course leading to a named award.

All three of these components are related, but may vary and change somewhat independently of each other in the light of factors such as pedagogic experience, subject area developments, and external pressures for change.

Kelly's definition of the curriculum is deliberately cast broadly enough to embrace all aspects of a teaching institution, including the concept of the 'hidden curriculum'. This a significant concept – for instance, Bourdieu (1973) argues that educational institutions not only purport to transmit knowledge, but more subtly transmit the instruments by which that knowledge might be assimilated, with important consequences for social equality. However, the hidden curriculum is beyond the scope of this dissertation, and would require a discrete new study in order to properly do it justice.

Kelly traces back an organised view of curriculum planning to the proposals of Ralph Tyler from as long ago as 1949. This rational-technical approach considered four dimensions in a linear relationship: 'objectives, content or subject matter, methods or procedures and evaluation' (1989: 15). This being 'too simple a model for many reasons' (*ibid.*), alternatives have been proposed, usually formed by privileging one of the four dimensions in Tyler's scheme. One alternative that stresses the content of the education forms the basis, according to Kelly writing four decades on from Tyler, of the National Curriculum (in school

education) and 'it might be argued that this form of curriculum continues to predominate ... in institutions of higher education' (*ibid.*: 16).

Curriculum change in higher education might then be viewed as, at worst 'unplanned drift' (*ibid.*: 2), but more probably driven by the interests of academics and other stakeholders such as professional and industry bodies. Subjects and therefore the curriculum develop through the normal practices of research, scholarly activity such as publication, the general commitment of academics to their subject, and input from other interested parties. Furthermore, as Chapter Two has suggested, the effect of external drivers on university activity may drive subject change and development. One can envisage this process as being highly comparable with Kuhn's description of the practice of 'normal science' – that the body of knowledge in a given discipline is enlarged through steady, but relentless, routine work, with a series of 'facts' being added to the ever-growing pile of knowledge, piecemeal and little-by-little, with connections being made across different subjects on a mostly *ad hoc* basis.

Such a traditional approach to curriculum design has been challenged from many viewpoints, not least because of the emergence, since the 1960s, of the reflexive and, as Kelly emphasises, critical field of curriculum studies. So Doll (1989), for example, has presented a postmodern critique of conventional thinking on the higher education curriculum, which he sees as fragmented, reductionist, and too influenced by the Newtonian mechanistic model of science. He argues that the structure of the curriculum needs to be re-thought in the light of more recent developments in science (such as quantum theory and chaos theory), and in particular he calls for a radical reformulation of the student-teacher relationship, with work of conventional pedagogy being replaced by a more collaborative casting of the curriculum, in which students are much more active learners than current teaching and learning allows.

From a different angle, Barnett (1990) has called for the HE curriculum to reflect a more sophisticated understanding of epistemology, in which the nature of knowledge is reliant both upon personal values and personal intellectual development.

Many other perspectives on curriculum change exist, bearing in mind Kelly's definition of curriculum studies as 'a critical, analytical exploration of the curriculum as a totality', in both theoretical and conceptual, and practical and empirical dimensions, taking account of the underlying values and ideologies that help to shape the curriculum (1989: 8). The distinctive inquiry in this dissertation consists of an attempt to examine the relationship between the 'business' of higher education and what eventually appears on the fundamentally important issue of the curriculum of a university.

3.7 Relationship Between Business Model and Curriculum

In general, as Casadesus-Masanell and Ricart (2010) argue, not all organisations may have a strategy, but for the organisations in this study it is always true that they have a strategy, as evidenced by the existence of the twenty documents to be analysed here. Indeed HEFCE requires that these strategic plans are written. Inherent in such strategies is a business model – a 'reflection' of their strategy – although none of the twenty documents analysed here identify a business model or even mention the term.

The literature on business models tends to assume that business models can be either designed or chosen from a pre-existing range, implying that strategies are equally designed or chosen rather than 'emergent', as Mintzberg (2007) observes they may be. In a quasi-market the strategies will be to some extent constrained by government policies, limitations and directives. Nonetheless there is considerable room for strategy – and hence business model – variation, if only because universities differ in size, are positioned differently in the market, have different revenue streams, and so on.

The business model enshrined in a university's strategic plan may not be consciously recognised or discussed within that university. Nevertheless it will have an effect on university operation, including effects on the content and delivery of the curriculum.

A prime determinant in this picture is government policy. Universities may try to influence such policy by lobbying on the part of bodies such as Universities UK and the million+ Group, but eventually universities have to devise a strategy in

response to government policy. This apparently sequential explanation may not be quite so rigid – one would expect there to be a dialectical process in the devising of strategy and business model, and between business model and resulting effects on university operations, including the nature of the curriculum. What the empirical data presented in Chapter Five and its subsequent analysis presented in Chapters Five and Six uncover is the business model within such strategy, as a useful way of interpreting the strategy and the directions in which the curriculum might travel. The operation of the business model, even if not explicitly recognised, will have an effect on the professional behaviour of academics for instance. This point is explored in Chapter Six.

3.8 Summary

This chapter has established some key concepts on the nature of strategy, business models and of change that will be useful in the later chapters that address the empirical findings of this study. The next chapter will establish the theoretical basis for this study and also the practical method employed in the empirical work.

The purpose of this chapter is to explain the approach used to gather and analyse the data employed in this study. The theoretical perspective is identified as well as the methods used.

4.1 Metatheoretical Discussion

Several authors make the point that clarity and consistency require that the epistemology and philosophy underlying the research are elaborated (Crotty, 1998; Danermark *et al*, 2002; Ritchie & Lewis, 2003). Snape & Spencer (2003) discuss the value of 'mixed methods' approaches to an investigation, and caution against an overly rigid scheme, although Danermark *et al* suggest that 'this mix cannot be done without taking the ontological and epistemological dimensions into account' (2002: 2). Meanwhile, both Crossley (1997) and Smith (1998) point out that some of the most seminal studies in social science (by Bourdieu and Durkheim, respectively) can span more than one theoretical perspective, and deploy a variety of methods. Magee concurs:

> Many different twofold distinctions have been applied in the history of philosophy (e.g. nominalist/realist; empiricist/transcendentalist; materialist/idealist) and none of them should be driven too hard: what can make them particularly misleading is that, whichever of them is applied, large-scale figures usually straddle the divide. (Magee, 1975: 51-52).

Whilst this may be true of a given individual at different stages of their career (Magee gives the example of Wittgenstein), some care is needed with such a statement. It does not make sense to work from two incompatible perspectives at the same time: the researcher's epistemology must be reasonably consistent, as Crotty points out:

> Our research can be qualitative or quantitative, or both ... without this being in any way problematic. What would seem to be problematic is any attempt to be at once objectivist and constructionist (or subjectivist). On the face of it, to say that there is objective meaning and, in the same breath, to say that there is no objective meaning certainly does appear contradictory ... To avoid such discomfort, we will need to be

> consistently objectivist or consistently constructionist (or subjectivist) (Crotty, 1998: 15).

Especially to be avoided is the kind of epistemological inconsistency that, for example, sometimes mars the writings of Pierre Bourdieu, wherein a certain residual positivism sits uneasily with the mainly structuralist approach (Jenkins, 2002). Employing a coherent and self-consistent epistemology will help to avoid logical errors and lacunae.

Crotty also offers that a degree of methodological clarity makes the study amenable both to critically reflexive and to third-party scrutiny. With an awareness of the different epistemological and theoretical possibilities 'we become better able to set forth the research process in ways that render it transparent and accountable' (1998: 216). Any research that claims to produce well-founded knowledge should ideally expose itself to critique in this way. Laying bare one's method and the thinking behind that method facilitates critical scrutiny by other researchers. The self-reflexive aspect on the other hand provides an opportunity to enhance the quality of argumentation. In short:

> 'we need to be concerned about the process we have engaged in; we need to lay that process out for the scrutiny of the observer; we need to defend that process as a form of human inquiry that should be taken seriously' (Crotty, 1998: 13).

4.2 Crotty's Scheme

Crotty cuts through the Gordian knot of theories, methods, standpoints, approaches, perspectives, methodologies, philosophies, and epistemologies in a most helpful and convincing fashion: 'the terminology is far from consistent in research literature and social science texts. One frequently finds the same term used in a number of different, sometimes even contradictory ways' (1998: 1). With this in mind, this dissertation will employ his categorisation of 'four elements': method, methodology, theoretical perspective, and epistemology.

According to Crotty, a hierarchical scheme can be realised wherein methods are associated with a given methodology. At the lowest level of the four-element hierarchy, methods are the relatively mechanical 'techniques or procedures used to gather and analyse data related to the research question or hypothesis'

(*ibid.*: 3). The methodology is a strategy and an operational plan for a series of processes – deploying the aforementioned methods – whose aim is to achieve some stated outcomes. Typically the methodology will specify a sequence of actions and methods to be employed, and also the inputs and outputs to this flow of methods. It constitutes 'a process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcomes' (*ibid.*). At the next level, a theoretical perspective is the broad philosophical stance of the investigator. It also provides the philosophical basis for the methodology; it explains and justifies the logic of the methodology. Fourthly, the epistemology is the theory of knowledge that 'informs' (*ibid.*) the theoretical perspective. Epistemology – 'a way of understanding and explaining how we know what we know' (*ibid.*) – is 'embedded in the theoretical perspective and thereby in the methodology' (*ibid.*). To talk of research solely at the level of methods therefore voids important theoretical dimensions from the picture, and furthermore, might lead to inconsistencies in the argumentation of the inquiry, as mentioned on the previous page.

Crotty himself hints that this four-element framework may not provide an absolutely rigid categorisation; it is not the only way to use these four terms, nor is it 'the only way of understanding and analysing the research process' (*ibid*: 2). However, it does seem useful. Crotty is also keen to emphasise that this schema should not act as a straightjacket for the researcher. 'As researchers, we have to devise for ourselves a research process that serves our purposes best' (*ibid.*: 216). The important point is that the schema can be used to make explicit the thinking and assumptions behind the researcher's work, and highlight any weak or contentious aspects therein. In summary, regarding the purpose that these four elements serve, Crotty writes: 'they can help to ensure the soundness of our research and make its outcomes convincing' (*ibid.*: 6).

Alasuutari also emphasises this linkage to an epistemological dimension from what, at first sight, might appear to be solely a question of methods:

> A theoretical framework is a way of thinking about something, a way of thematizing and perceiving a certain phenomenon that is different from everyday perception; the method is the way in which that framework is applied to the subject of the study …

> the method is like a telescope or microscope which sheds light on the object of study in a new, fresh way. It can raise issues that might not be visible to the naked eye; things that might give clues of yet another framework (Alasuutari, 1998: 164).

Alasuutari's argument takes us from methodology and epistemology on to the question of ontology – the issue of what can be known, or, in other words, what is. This is not surprising since the two questions of what it is possible to know and how it can be known it are closely related. Indeed, Crotty notes that 'ontological issues and epistemological issues tend to emerge together', and in his scheme, ontology 'would sit alongside epistemology informing the theoretical perspective' (1998: 10). Danermark *et al* agree that ontology and epistemology 'tend to be intertwined … in a complicated manner' (2002: 18), and they propose a not dissimilar scheme to Crotty's in their exposition of critical realism. However, their scheme privileges ontology as a starting point due to their desire to emphasise that 'theory should guide research and not be subordinate to specific methodological rules' (2002: 1). Critical realism – the theoretical perspective that informs the present work – focuses on those properties of the natural and the social worlds that enable them to be 'possible objects for knowledge', rather than starting from the closely linked 'epistemological question of how knowledge is possible' *(ibid.*: 5). Danermark *et al* offer the ontologically concerned view that 'It is primarily the nature of the object under study which determines what research methods one may use' *(ibid.*: 11).

Somewhat more pragmatically, Crotty suggests that most research begins with a real-life issue that needs to be addressed, rather than starting out from a given epistemology. Two main questions at the commencement of any inquiry are: 'what methodologies and methods will we be employing?', and secondly 'how do we justify this choice and use of methodologies and methods?' (1998: 2). He argues that the problem to be solved, or the question to be answered, or the aims and objectives of the research, 'leads us to methodology and methods … From methods and methodology to theoretical perspective and epistemology, then' (*ibid.*: 15).

> Not too many of us embark on a piece of social research with epistemology as our starting point. 'I am a constructionist,

> Therefore I will investigate ...' Hardly. We typically start with a real life issue that needs to be addressed, a problem that needs to be solved, a question that needs to be answered. We plan our research in terms of that issue or problem or question. (Crotty, 2003: 13).

So identifying a strategy that 'seems likely to provide what we are looking for' leads us on to methodology and methods (*ibid.*). The advocates of the methodology used in this research are similarly pragmatic in their outlook, but argue matters with a different emphasis:

> we align ourselves with other pragmatists because we believe in the value of choosing the most appropriate research method or methods to address specific research questions. We are more interested in ensuring a suitable 'fit' between the research methods used and the research questions posed than we are in the degree of philosophical coherence of the epistemological positions typically associated with different research methods. (Snape & Spencer, 2003: 21).

Nonetheless, it is believed that there is a degree of 'coherence' in this study between the four elements that Crotty has identified. Whether one starts from the 'issue' to be investigated as Crotty argues, or from the more ontologically orientated 'nature of the object under study' that Danermark *et al* begin with, it should be possible to achieve consistency. As the rest of this chapter goes on to explicate, the methods and methodology will be a form of qualitative data analysis, the theoretical perspective is critical realism, and the epistemology is constructionism. Following Crotty's sequence these will be discussed in turn, starting from Crotty's notion of 'a real-life issue'.

4.3 A Research Question and a Starting Hypothesis

According to Bassey (1995) new knowledge can be generated by research setting out from one or more starting points:-

- A question (to be answered;
- A hypothesis (to be tested);
- A problem (to be solved);
- An issue (to be explored).

This list begins with a relatively sharp focus that becomes less sharp from beginning to end. Beginning at the sharper end, the question 'what are

universities for?' has been raised in Chapter One. A starting hypothesis for this work is that the curriculum in higher education is increasingly dependent on financial factors, rather than primarily academic ones. Chapter Two noted that developments in the curriculum seem often to have been influenced by external factors, beyond those of a 'pure', disinterested neutral search for knowledge. Bok (2003) discusses the many ways in which higher education in the USA is becoming marketised, and Collini (2003) remarks that:

> many of the proposals (and some of the policies) of recent years have been aimed at trying to make British universities more closely resemble their American counterparts, or at least some imagined version of them (Collini, 2003: 5).

It may be that a desire on the part of UK governments to reduce government spending and perhaps to increasingly emulate the US system of higher education is having a, probably unintended and unforeseen, effect on what is taught and researched. It could well be that the business models in use in English universities can shed light upon this putative phenomenon. These are some of the hypotheses on which this research rests.

It seems less useful to formulate the investigation in terms of 'a problem' (tentatively this could be the loss of important departments and subjects from the university). Likewise expressing the research area as 'an issue' (say, of the relationship between finance and curriculum) is too needlessly general and lacking in focus.

If one wishes to investigate the business models that are used by universities then a likely place to begin would be the business plans published by the universities themselves. These are given the titles 'Corporate Plan' or 'Corporate Strategy'. Most of these documents are published freely at each university's website, and are easily obtained. It might be possible to continue from this to identify connections or correlations and perhaps attempt to advance causal relations between the data and phenomena of interest. Such documents are, then, the raw data of this study. The business model employed by an individual institution within HE may not be explicit or even consciously known, but it should be discernable, given careful study. Analysis of corporate plans

should reveal the interwoven business model and it will be interesting to compare these with previously identified business models, such as the eleven provided by Wheelen & Hunger (2006). It may be that the public sector quasi-market has provoked the inception of new kinds of business models, and an alertness will be maintained for this.

Alongside the business model, a further implicit dimension should become apparent. Business plans, as an artefact of policy, will contain both instrumental and expressive elements. In other words, informing the practical, operational plan they will contain some measure of aspiration or hope, an idealised version, as it were, of the future. The writers of business plans will be, in part, expressing an idealised view of what their institution should be at some point in the future. This ties in very well with the original starting point of this inquiry, the very broad question of 'what are universities for?'. The writers of a business plan will be, if only implicitly, expressing their conception of what their university 'should be for' in the future. These writers' own values are likely to be informing and shaping their imagining of what could and should be possible for their organisation, even though this might be within the context of circumstance, policy and parameters set by external forces. The more instrumental, or operational, aspect of corporate plans will give this a more concrete form, and perhaps reveal more about intentions and likely future directions of the given university. There might also be revealing disjunctions between the expressive and the instrumental content. This dimension could usefully help to illuminate the business model.

4.4. A Practical Methodology

Documents concerning policy for individual universities will be the raw data for this inquiry. This can be classified as 'naturally occurring data' as opposed to data, such as interviews, that have been generated specifically for the purpose of the research (Ritchie & Spencer, 1994). The approach used in practice to analyse the corporate plans of twenty English universities follows the 'Framework' methodology described by Ritchie and Spencer (1994). This methodology was later elaborated by Ritchie, Lewis, Spencer, Snape and others (Ritchie & Lewis, 2003). 'Framework' (the name is derived from the term 'thematic framework') is a qualitative methodology for the handling and analysis

of a variety of data, and can be used to perform documentary analysis of the kind needed in this study (*ibid.*). Documentary analysis involves 'the study of existing documents, either to understand their substantive content or to illuminate deeper meanings which may be revealed by their style and coverage' (Ritchie, 2003: 35). Both of these dimensions – the substantive and the stylistic – are of interest to the present study. Qualitative research primarily aims to supply understanding and explanation, and 'Framework' was designed exactly for this purpose.

Ritchie & Spencer (1994: 176) claim that the strengths of 'Framework' are that: it is grounded in and driven by the original data; it is dynamic and open to change in the light of evolving sense-making; it is methodical and treats all 'units of analysis' in the same consistent way; it allows an analytic review of all of the data rather than being 'partial or selective'; it promotes easy access to and retrieval of the original data; it allows between-case and within-case analysis; it is transparent in its operation and thus allows critical judgement by people other than the researcher(s).

Spencer *et al* (2003) introduce the idea of an 'analytic hierarchy' within qualitative analysis – a form of 'conceptual scaffolding', which begins with the raw data and moves to more abstract levels of understanding as the analysis progresses. The levels of the hierarchy represent different views of the data, at greater or lesser degrees of abstraction. The 'Framework' approach has been designed to maintain transparent links between the different levels of the analytic hierarchy.

Initially the data – 'usually voluminous and messy' – must be rendered into a manageable form (Spencer *et al*, 2003: 213). A fundamental task of qualitative research is to manage the data – to reduce it, label (or index) it, sort it and to synthesise more abstract conceptualisations from it. Moving up the hierarchy from data management one is able to generate 'descriptive' (or 'contextual') accounts, then further up again, explanatory accounts. 'Contextual research is concerned with identifying what exists in the social world, and the way it manifests itself' (Ritchie, 2003: 27). Qualitative research begins by capturing phenomena as expressed in their original form or vernacular – the 'native' or

'indigenous' terms and language. Contextual qualitative research can then move on to identify the range or dimensions of social phenomena as well as the nature and features of such phenomena. It might also describe the meaning that actors attach to such phenomena, and develop typologies concerning the nature of the phenomena being studied. It should be able to help identify factors or influences, motivations, origins, and contexts. At a higher level of abstraction, explanatory qualitative research 'is concerned with *why* phenomena occur and the forces and influences that drive their occurrence' (*ibid.*: 28). Qualitative research, Ritchie argues, provides a 'unique tool' for studying the underlying factors that might be driving social phenomena. 'These in turn may indicate some explanatory – even causal – link' (*ibid.*). However, she goes on to caution that there is:

> debate about whether 'causes' of social phenomena can be truly detected, with some arguing that cause and effect in social enquiry can only be speculative ... Even assuming that is so, qualitative methods still have a crucial role in identifying the important influences and in generating explanatory hypotheses (Ritchie, 2003: 28).

Qualitative research at the explanatory level might be, then, necessary but not sufficient to explain causality. Furthermore, acceptance of a causality argument depends in part on one's theoretical outlook – on whether causality is a feasible concept in social phenomena. Danermark *et al* argue that within critical realist philosophy a stronger version of causality can be embraced:

> the nature of society as an open system make it impossible to make predictions as can be done in natural science. But, based on an analysis of causal mechanisms, it is possible to conduct a well-informed discussion about the potential consequences of mechanisms working in different settings (2002: 2)

This discussion forms part of Chapter Six.

Explanatory analysis may be driven by six different strategies; identifying explicit (substantive) reasons in the data; inferring an underlying logic; identifying and critiquing 'common sense' assumptions embedded in the data; developing (synthesising) a new concept that has explanatory power in context; drawing on other empirical studies for illumination; and finally, employing

previously established theoretical frameworks (Ritchie *et al*, 2003). The analysis might also take on a 'diagnostic' character – 'examining the reasons for, or causes of, what exists', and a 'strategic' aspect – 'identifying new theories, policies, plans or actions' (Ritchie & Spencer, 1994: 174). They further comment that 'Most research attempts to address more than one of these groups of questions' (*ibid.*).

Spencer *et al* (2003: 213) emphasise that:

> 'the analytic process is not linear ... As categories are refined, dimensions clarified, and explanations are developed there is a constant need to revisit the original or synthesised data to search for new clues, to check assumptions or to identify underlying factors ... This movement between the data and the analytic concepts, repeatedly going backwards and forwards, will help produce greater refinement in the analytic account developed. The ability to move up and down the analytic hierarchy, thinking conceptually, linking and nesting concepts in terms of their level of generality, lies at the heart of good qualitative analysis. (Spencer *et al*, 2003: 213).

The 'Framework' methodology has been developed in order to facilitate this iterative shuttling between raw data and subsequent levels of abstraction in attempts to find meaning, and to keep the process transparent and visible. Up and down the levels of abstraction a transparent link to the original raw data is preserved by the methodology.

'Framework' consists of five phases as originally outlined by Ritchie & Spencer (1994):

1) Familiarisation with the raw data;
2) Identifying a 'Thematic Framework' of themes within the data and within the research aims that are relevant to the investigation;
3) Indexing the data – that is labelling parts of the raw data that are of interest. 'Indexes provide a mechanism for labelling data in manageable "bites" for subsequent retrieval and exploration' (*ibid.*: 180);
4) Charting the data – that is, sorting and visually representing the data in a meaningful way by theme or concept. 'Charting involves abstraction and synthesis' (*ibid.*: 184);

5) Mapping and Interpretation – in other words analysing the charted data to generate meanings by summarising, distilling and synthesising.

'Framework', although attempting to provide a transparent and systematic approach to handling data, is highly iterative in character and cannot be employed in a mechanical way. 'Real leaps in analytical thinking often involve both jumping ahead and returning to rework earlier ideas' (*ibid.*: 177).

> 'Framework' is an analytical process which involves a number of distinct though highly interconnected stages. Although the process is presented as following a particular order – indeed some stages do logically precede others – there is no implication that 'Framework' is a purely mechanical process, a foolproof recipe with a guaranteed outcome (Ritchie & Spencer, 1994: 177).

Even what might at first sight might appear a fairly routine process – the indexing – involves the researcher in sense-making:

> Applying an index is not a routine exercise as it involves making numerous judgements as to the meaning and significance of data ... the analyst must infer and decide on its meaning ... this process of making judgements is subjective, and open to differing interpretations. (Ritchie & Spencer, 1994: 182).

The core technique in 'Framework' is that of 'charting', wherein the indexed (labelled) data is transposed to a matrix (or chart) that will help the investigator to visualise links, relationships, repetitions, and associations between parts of the data. The charting helps the researcher to 'build up a picture of the data as a whole' (*ibid.*). In the initial charting each column represents a theme in the thematic framework, and each row corresponds to an individual 'case' in the sample frame. Within the cells of this matrix there is placed 'a distilled summary' of the germane data, usually linked back to the raw data by means of a page reference (*ibid*: 184). Further charts may be constructed as required, depending on emergent themes and associations that may surface from the data as the analysis progresses. A process of sifting, sorting, juxtaposing and isolating elements of the data via the charts is used to generate patterns that can convey meaning from the data. Ritchie & Spencer remark that 'Qualitative data analysis is essentially about detection' (1994: 176), and the fluidity of the 'Framework'

methodology encourages a full exploration of the possibilities. Detecting such patterns in the data can be employed to formulate both the 'descriptive' accounts and the 'explanatory' accounts (Ritchie & Lewis, 2003: 219). The aim is to move beyond descriptive cataloguing in the descriptive accounts – 'careful journalism' (*ibid.*: 205) – into the realms of meaning and hence theory making and understanding that can be generated in the explanatory accounts. Ritchie and Lewis commend the idea that 'the main task of qualitative research is always theory construction' (*ibid.*).

Given the foregoing mention of theory formulation and the acceptance that 'Observation takes place within the context of theory and it always shaped by theory ... and is therefore necessarily selective' (Crotty, 2003: 33) it is not surprising that Snape and Spencer claim that 'Although qualitative research is often viewed as a predominantly inductive paradigm, both deduction and induction are involved at different stages' (2003: 23). This holds true for this investigation. At some points theories and hypotheses concerning business models are proposed, but most of this investigation employs inductive reasoning – seeking patterns and associations to verify the theories and hypotheses.

For the 'Mapping and Interpretation' phase, when 'all the data have been sifted and charted according to core themes', the researcher's task is then to 'pull together key characteristics of the data, and to map and interpret the data set' (Ritchie & Spencer, 1994: 186). This is partly a summarising process, but it also involves comparing and contrasting, searching for patterns and connections, and seeking explanations for these 'internally within the data' (*ibid.*). Once again the dynamic, sense-making nature of the process is highlighted:

> Piecing together the overall picture is not simply a question of aggregating patterns, but of weighing up the salience and dynamics of issues, and searching for a structure rather than a multiplicity of evidence ... each step requires leaps of intuition and imagination. (Ritchie & Spencer, 1994: 186).

Both in identifying themes and in identifying relevant concepts and categories within the data, and in moving up and down the 'analytic hierarchy', the alertness of the researcher and their grasp of the holistic picture play a large

role. The process is dialectical and quite fluid and dynamic, but the method has the important feature of always being grounded in, and referring back to, the raw data.

> Making sense of the data relies, in part, on the method or tool that is used to order and categorise data, but it is more dependent on the analyst and the rigour, clarity and creativity of her or his conceptual thinking. (Ritchie & Lewis, 2003: 219-220).

Qualitative research requires that the researchers have 'open but not empty minds' (*ibid.*: 49). In summary, Ritchie and Lewis 'see qualitative research as a blend of empirical investigation and creative discovery … a mix of science and art (*ibid.*: xiv).

The naturally occurring data to which the 'Framework' methodology is applied is produced by a particular context. This context has already been delineated in Chapter Two, and a short discussion concerning historical epistemology is warranted next.

4.5 The Historical Dimension

For the historical dimension evident in this study (especially in Chapter Two), Evans' view (1997) is espoused. He argues that the work of the historian lies in *interpreting* the connections between the facts, in discerning and surfacing 'the larger patterns that connect them' (1997: 80).

> A historical fact is something that happened in history and can be verified as such through the traces history has left behind … Where theory and interpretation come in is where facts are converted into evidence (that is, facts used in support of an argument); and here theory and interpretation do indeed play a constitutive role. For historians are seldom if ever interested in discrete facts for their own sake; they have almost always been concerned with … the 'interconnectedness' of these facts. (Evans, 1997: 76).

Cohen *et al* (2000: 158) concur, proposing that 'Historical research … is an act of reconstruction undertaken in a spirit of critical inquiry … Reconstruction implies a holistic perspective'. Treating the historical dimension in this way seems consistent with a constructionist epistemology, and with the thinking

behind the 'Framework' methodology. Historical 'facts' may be subject to interpretation (that is, constructed meaning), but their meaning is not necessarily inherent, as an objectivist epistemology would assert. Equally Evans polemicises against the 'hyper-relativism' of a post-modern view of history, whose subjectivist epistemology problematises the very existence of 'historical facts'. Evans' approach seems consistent with the constructionist epistemology wherein 'subject and object emerge as partners in the generation of meaning' (Crotty, 1998: 9).

Continuing to follow Crotty's scheme of method → methodology → theoretical perspective → epistemology / ontology, the next section elaborates the philosophy informing this research.

4.6 Theoretical Perspective

The theoretical perspective in this study is that of critical realism. Regarding the 'critical' aspect, rather than 'a research that seeks merely to understand' (Crotty, 1998: 113), the scope of critical research is widened out to consider dimensions beyond those contained within the data. If 'theories about reality, like any other knowledge are social products, whose formation and contents are under the influence of many different social mechanisms' (Danermark *et al*, 2002: 24), then taking the circumstances of production of knowledge into account should enrich the study. A critique, at least implicit, of the context of the inquiry informs the research.

> If policy analysis is located in the existing structure of social relationships, and if the scope of analysis is limited to problems already on the agenda for discussion, then significant issues may be ignored ... We do not believe that policy analysts should restrict themselves to examining how existing policies may be improved within existing social and political relationships. Rather, these relationships themselves should be part of the field of enquiry. (Ham & Hill, 1993: 20).

The historical context outlined in Chapter Two is partly an attempt to introduce this dimension.

Critical realism is not alone in critiquing the limitations that the conventional understanding of science, the 'empiricist/objectivist ideal', can bring to the

natural sciences; these problems are exacerbated in the study of social phenomena (Danermark *et al*, 2002: 16). In the view of critical realism:

> Whereas the objects of the natural science researcher are naturally produced but socially defined, the objects of the social scientist are both socially produced and socially defined … the objects of natural science as such are … passive and unchangeable in relation to the definitions of the researcher (Danermark *et al*, 2002: 16)

By contrast to natural phenomena, in studies of social phenomena the 'objects' of interest (people – their actions, relationships and beliefs) exhibit consciousness, reflexivity, human agency, ideological positions (including 'everyday concepts' that might 'compete with the scientists' concepts' (*ibid.*)), their own knowledge and their attempts to acquire and extend their own understanding. Thus the scientific study of social phenomena must be 'carried out on hermeneutic premises' (*ibid.*).

Influenced by the work of both Kuhn and of Popper on the socially constructed nature of scientific knowledge and of its always-provisional, never-absolute, nature, 'naive objectivism' is argued within the critical realist view to be even more inadequate as a basis for generating knowledge when applied to society (*ibid.*: 17). Counter to the subjectivist epistemology, critical realism asserts that there is a real world existing independently of human experience:

> Critical realism … tries to maintain the positive claims to a useful and liberating knowledge, which was the basic motivation for the Enlightenment project and for modern science. Realism maintains that reality *exists* independently of our knowledge of it. And even if this knowledge is always fallible, yet all knowledge is not equally fallible. It is true that facts are theory-dependent, but this is not to say that they are theory-determined (Danermark *et al*, 2002: 17)

Critical realism proposes that the real world, independent or 'intransitive' of human knowledge, cannot simply be reduced to sense-data, as empiricism might suggest. Crucially, Bhaskar poses the 'fundamental ontological question: *What must reality be like to make the existence of science possible?*' (*ibid.*: 18, emphasis in the original). Echoing Ritchie & Spencer's remark quoted earlier regarding detection, Danermark *et al* propose that 'reality is not something

immediately fixed and empirically accessible ... reality contains a dimension, not immediately observable, where we find the mechanisms which produce the empirically observable events' (*ibid.*: 10). Human knowledge and understanding of this dimension must therefore always be 'mediated' by theory. Indeed, knowledge depends upon conceptualising or theory-making in order to gain an understanding and to formulate explanations. Such conceptualising 'takes place under different premises within the social and the natural sciences' (*ibid.*).

> it is possible to say something about the quality of one theory or another. Critical realism claims that it is possible to gain knowledge of actually existing structures and generative mechanisms ... in terms of theories, which are more or less truthlike (Danermark *et al*, 2002: 10)

But as has just been argued, 'knowledge about ... reality is always fallible'; part of the task of research is to determine which theories are the more 'truthlike' ones (*ibid.*). Where a theory fails an empirical and theoretical test it is, as Kuhn (1970) has argued in relation to the natural sciences, eventually abandoned.

4.6.1 Aims and Objectives Revisited

The aim of this research is to investigate the nature of the business models that institutions of higher education in UK have adopted or are moving towards. In critical realist terms this means attempting to uncover underlying entities, structures and mechanisms that generate observable phenomena in the transitive domain of the social world. Critical realism would see a business model as a conceptual entity with certain powers. When business models are operationalised within social structures – institutions such as governments and universities – empirical events and experiences appear. Thus to achieve the two objectives of this study identified in Chapter One, firstly to analyse the corporate plans of a representative subset of UK institutions in order to identify the respective business models, and secondly to develop an understanding of the impact of these business models on higher education, constitutes what Clegg (2005) calls the 'scientificity' of the work of critical realism in uncovering some of the underlying entities, structures and mechanisms at work, and to use them to explain events in the empirical domain.

4.7 Epistemology

The epistemology in this investigation is constructionist, which lies, so to speak, between objectivism and subjectivism. Constructionism holds that

> all knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context (Crotty, 1998: 42)

Crotty goes on to say that social constructionism 'is at once realist and relativist ... To say that meaningful reality is socially constructed is not to say that it is not real ... constructionism in epistemology is perfectly compatible with realism in ontology' (1998: 63). Constructionism is realist because it recognises the existence of an external world, a 'world always already there' (*ibid.*: 10). Meanings about this world are constructed via social processes, by human beings interacting with the objects in the world.

> From the constructionist viewpoint, therefore, meaning (or truth) cannot be described simply as 'objective'. By the same token, it cannot be described simply as 'subjective' (Crotty, 1998: 43)

Constructionism is partially relativist in so far that it recognises that different constructions, different meanings, are possible: 'different people may construct meaning in different ways, even in relation to the same phenomenon' (*ibid.*: 9). This is also consistent with critical realism, which exhibits 'epistemological relativism' given the always-provisional nature of theory and the theory-laden nature of 'facts' (Danermark *et al*, 2002:10). Mintzberg and Lampel offer the example of Nineteenth Century explorers searching for the source of the Nile (2003). Their answer – Lake Victoria – is something that contemporary geographers, 'who may come up with other answers in the future', reject. Mintzberg and Lampel conclude of this intransitive physical phenomenon, for which ample sense-data can be found: 'The source of a river, after all, is a matter of interpretation, not a fact waiting to be discovered' (*ibid.*: 26).

Crotty notes that so far as linking methods with epistemology, constructionism 'is the epistemology that qualitative researchers tend to invoke' (Crotty, 1998: 9). However, Snape & Spencer claim that 'Qualitative research is largely

associated with interpretivism' an epistemology that they position as opposed to positivism (2003: 23). They explain interpretivism as an epistemology that accepts that the researcher and the social world that they are investigating will affect each other, that 'facts and values are not distinct' and that the researcher 'is concerned to explore and understand the social world using both the participant's and the researcher's understanding' *(ibid.*: 17). This view is not so very different from social constructionism; it seems to focus more upon the individual's understanding rather than collective or societal understanding. In this respect it appears close to Crotty's explanation of the term 'constructivism', which he defines as 'the meaning making of the individual mind' (Crotty, 2003: 58). The emphasis in Ritchie & Lewis (2003) on interpretivism is probably a reflection of their book's tendency to emphasise research-generated data, such as that derived from interviews and focus groups, rather than analysis of 'naturally' occurring data, such as documents. Snape and Spencer go on to remark that in the interpretivist view, 'explanations can only be offered at the level of meaning rather than cause' (2003: 23). Their use of the word 'only' may be criticised – Danermark *et al* see this kind of 'either-or' thinking as a manifestation of an unhelpful dualism (2002: 2). They argue that 'both-and' thinking is a more useful viewpoint, without this necessitating an eclectic 'simple mixture' (*ibid.*). Whilst causality represents a challenge in many forms of research, Snape & Spencer's remark seems especially understandable in the context of studying the individual, where causality might be particularly problematical to establish.

Furthermore, the previously quoted statement from Danermark *et al* concerning 'hermeneutic premises' provides a bridge to the 'interpretivist' epistemology that informs the qualitative research methodology propounded by Ritchie & Lewis and their collaborators (2003). A point relevant to this discussion is that 'the role of qualitative methods in seeking and providing explanation is recognised in a range of different epistemological approaches' (Ritchie, 2003: 28), implying that a variety of epistemologies can operate with qualitative research. Accordingly, Snape & Spencer accept that 'different research environments will vary in how they can be placed and individual researchers will differ in where they would situate themselves' (2003: 18). Finally, Snape & Spencer identify the ontology in Ritchie & Lewis' work as corresponding most closely to 'subtle realism' (*ibid*:

19), which is a close cousin of critical realism *(ibid.*: 16). Once again the source of the distinction is a matter of emphasis rather than a fundamental difference, subtle realism holding that 'an external reality exists independent of our beliefs or understanding' (*ibid.*: 16), but that such realities 'are only accessible' through peoples' representations of those realities (*ibid.*: 13). Again, the focus seems to be upon individual understanding, and the use of 'only' might be qualified.

4.8 Alternative Methods

Critical Discourse Analysis (Van Dijk, 1993; Fairclough, 1995) as a method for analysing universities' business plans was seriously considered. This method is compatible with critical realism (Fairclough, 2005). A discourse is a representation (a variety of forms of representation is possible) of an ideological position. Whatever its form (text, speech, image etc.), a discourse is an ideological artefact, ideology being 'a set of closely related beliefs or ideas, or even attitudes, characteristic of a group or community' (Plamenatz, 1979: 15). As such, a discourse is eminently available for analysis and critique. Discourse analysis in general 'is concerned with the way in which knowledge is produced within a particular discourse' (Spencer *et al*, 2003: 200). In an analysis of Australian policy in tertiary education, Taylor (2004) demonstrates how discourse analysis might be employed to give a critical reading, and Fairclough (1995) demonstrates how CDA can be applied to a university academic job application and to a university syllabus. Connell & Galasinski (1998) demonstrate CDA applied to academic mission statements. These examples give a high level of confidence that CDA could workably be applied to university business plans. However, CDA was not used for this study because discourse analysis tends to focus on the means by which ideology is reproduced, and has arguably less of a focus on the substantive content of the discourse itself. This is not quite the balance that is required. Nonetheless it would make an interesting and probably insightful study to apply CDA to the university business plans that are under scrutiny in the current work. Consideration of CDA has sensitised the author to the use of language in the business plans under analysis.

A solely quantitative approach was rejected because it was desired that the investigation be able to concentrate on producing understanding in reasonable

depth in what is potentially a rather complex area. Whilst quantitative analysis can certainly aid and promote understanding, its focus was felt to be somewhat more superficial than that of qualitative research in promoting an understanding of the possible business models in use, and linking these to the curriculum. Measuring how many universities took particular views or actions, or how many of them changed their curricula in certain ways, would provide only a partial insight into what was happening in terms of business models and their relationship to curriculum change. Something offering more depth in respect of the substantive phenomena is desired, and such an analysis can be supplied by a qualitative approach. However, quantitative discussion is useful as a supplement or to help illuminate particular points in this research. As noted earlier in this chapter, several theorists are at pains to emphasise that there need be no epistemological clash between quantitative and qualitative research.

On the other hand, when considering qualitative research, documentary analysis was chosen over interviewing human actors for five reasons. Firstly it would be notably difficult to obtain interview time with the personnel concerned (senior university 'managers' at vice-chancellor and pro-vice-chancellor level) due to their heavy schedules (Burgess & Wood, 2008). Secondly, as senior managers such figures would be very adept at presenting a highly 'edited' version of their institutions' plans, and of any difficulties or problems facing them. A bland or anodyne account might result, even in response to a direct question. Such 'naturally occurring data [as strategic plans] may be needed ... where there are concerns about the likely veracity of participants' representations' (Ritchie, 2003: 34). Ritchie's word 'veracity' is unnecessarily blunt here, and using this quotation is not to impute deliberate dishonesty to senior managers. Yet in a study of the 'top management team' at Warwick University Jarzabkowski and Wilson employ a variety of data sources including interviews, observation, ethnographic data, diary scrutiny and archival data, in part to triangulate their data in an effort to guard against what they more judiciously call 'informant bias' (2002: 360). Pursuing this argument further, in his doctoral study Taggart identifies the advantages of using documentary data over the difficulties of assuring 'objectivity and independence of [the] interview' where 'senior figures' are the interviewees (2004: 24). In this case Taggart's 'proximity of employment' was seen as a potential problem; the same might

apply to the present author's lifelong and 'critical' involvement in higher education. A third, and contrasting reason for selecting documentary sources over interviews, and the approach actually taken of analysing the business plans of universities, has the merit of interrogating policy statements that are for both public and internal consumption. Such documents are required to contain some level of accountability and one might expect at least a degree of plausibility. The 'official' nature of these plans means that they are predominantly the work of more than one person and will have undergone extensive review by committee and by individuals before public release. Again Taggart (2004) offers similar reasoning for his strategy of historical interpretation of various publically available policy documents. The 'expressive' element – interesting in itself for the purposes of this study – must be allowed for, and was more evident in some business plans than others, but on the other hand the 'instrumental' or operational content was readily available and in some cases extremely detailed (to the level of budgetary spreadsheets, in the case of Essex University). In short, these documents should be meaningful and valid. Discussions with leadership individuals, regardless of seniority, could result in a more limited, partial, biased, and subjective account. Fourthly, by selecting twenty cases rather than a necessarily smaller number of interviews, a wider and hopefully more representative sample frame has been obtained. Finally, Jarzabkowski and Wilson caution 'In-depth case studies of top managers in action are inherently risky because they require high-quality access to senior people and often highly confidential data over time' (*ibid.*: 359), Nonetheless, the use of interviews might well help to provide some interesting nuances, and should not be ruled out as a strategy to be employed in a further study.

It was felt early in the study that Computer Assisted Qualitative Data Analysis Software (CAQDAS) such as nVivo would not be especially helpful, and it was not used. Instead a form of data reduction was employed (as will be described in the next chapter) which, whilst helping to make the quantity of textual data readily manageable, also had the merit of immersing the author in the data and helping to familiarise him with it – an essential starting aspect of the 'Framework' methodology used to analyse the data (Ritchie & Spencer, 1994). This initial data reduction also re-cast the agglomeration of raw data into a more homogeneous format. Better still, the variety of technical formats in which the

business plans were published on the World-Wide Web – Portable Document Format files, Web pages, word processor files, spreadsheets – were converted to simple Rich Text Format files that could be straightforwardly managed and whose contents could be labelled using a standard word processor. This manual process helped to promote the close familiarity with the data that Ritchie & Lewis (2003) state is important for the analysis. Finally, many studies of human-computer interaction confirm that data is assimilated differently 'from the page' than 'from the (computer) screen'. For this author, printed copies of both the raw and the reduced data files were the best way to read and comprehend the data.

4.9 The Nature of Business Plans as Primary Data

Strategic or business plans produced by universities might be regarded with some scepticism. HEFCE requires that universities submit these plans in order to help justify the disbursements that HEFCE makes in return. It could be that such documents perform a predominantly symbolic role, or that their content is formulaic and not completely germane to what eventually happens within those universities. Furthermore, producing such strategic documents is not necessarily the hyper-rational process that some of the writers critiqued by Mintzberg *et al* (2003) portray. Planning, the use of patterns and models, identification of resources and markets, SWOT analysis and so forth can all play a useful role in strategy, but as Mintzberg argues 'a strategy can be a ploy, too' *(ibid.*: 4). It could be argued that the strategic plans are produced as part of a 'game', comparable to the way that the research 'game' is played (Lucas, 2006). In the higher education context Pratt remarks that 'funding mechanisms are always complicated and can encourage unexpected responses by institutions [which] naturally, tend to react to funding mechanisms in ways that maximise their income' (1997: 327). Pratt explains how funding mechanisms are continually amended and, so far as polytechnic funding was concerned, became 'hideously complicated and increasingly unpredictable' (ibid.: 273). Likewise the fluidity and complexity of HEFCE's mechanisms, with its micro-managed tranches of earmarked funds tied to ever-shifting emphases, can hardly be said to have diminished since its inception in 1992 when it took the ex-polytechnics into its purview (Collini, 2012). The competitive quasi-market within which universities operate tends to encourage competitive game-playing

to maximise both income and status. A sceptical view might reasonably conclude that a large element of 'ploy' resided in these strategic documents.

There are two reasons why this healthy scepticism might be tempered. Firstly, Taggart (2004), a senior HEFCE 'insider', argues for the validity of taking official policy documents seriously in research. In this he is in step with many historians such as Evans (1997) who also argue in favour of archival labour. This does not mean, as Evans cautions, that the researcher should approach such documents naiively, at 'face value'. They have been, like any piece of writing, produced for a purpose; they have a job to do. They cannot necessarily be taken simply 'as good coin'. Apart from the manifest content of such documents there will be an instrumentalism in their purpose; there might be a misleading gloss; there are likely to be subtexts and underlying motives. So this currency then might be a debased currency. But it is a valid currency nonetheless. It is still used – it forms part of an interchange – and its role is not entirely reducible to the symbolic or the irrelevant. The content of a publicly scrutinised document must have some credibility – it must at least have some plausible relationship to the reality that its authors and its readers mutually recognise. It has to be operationally convincing to its readership. It is unlikely that a publicly promulgated document, written, reviewed and modified by 'many hands' and critically scrutinised by many more pairs of eyes, will have a patently fictional character.

Magretta (2002), in describing a business model as a story that explains how an enterprise works, implicitly confers the same value on the document that enshrines that business model. Thus the strategic plans considered in this study act in an ideological sense, in order to identify and reinforce to the reader – including in its university of origin as well as to external entities – the roles and purposes of that institution. In consonance with this view, discourse analysis insists that the form of the communication is of concern, perhaps as much as the content (Fairclough, 1995). The mode of writing can be telling if viewed carefully, and in context. This level of sensitivity has informed the analysis of the strategic plans in Chapters Five and Six.

4.10 Applying the Methodology

The next chapter presents the results from the methodology, but before this a little explanation concerning how the 'Framework' methodology worked in practice; and a discussion of the sample selection, will be helpful.

4.10.1 The Sample Frame

Although the universities in England are formally operating in the same market, a market that might therefore be seen as homogenous, this does not mean that all of the universities constitute a homogenous category. The increased inter-institution competition within HE following the introduction of a quasi-market and funding reductions have resulted in increased differentiation within the sector (Barnes, 2008; Rustin, 1998; Taylor & Steele, 2011; Wolf 2002). Government policy recognises and promotes such differentiation, as was seen in Chapter Two (DFES, 2003). One might expect that several different business models will be in use, according to where the institution may be located on a developmental spectrum that might consist of 'Oxbridge' at one end, and nascent universities such as new university colleges at the other. There are approximately 120 institutions of HE in the UK. The funding of Scottish and Welsh higher education differs in detail from that of English universities, so this study will be restricted to the latter. The investigation proceeds by selecting suitably representative universities from different HE segments that would cover the spectrum of UK HE.

In 2008 there were eighty-three universities in England (counting the many colleges of Oxford, Cambridge and London universities as one). In qualitative research the sample frame must be selected to adequately represent scope and range of the phenomena of interest (Ritchie *et al*, 2003a). Such a sample must represent membership of different segments of the quasi-market, which in 2008 primarily consisted of:

- The 20 universities of the Russell Group (16 in England) – these are large, research-led universities;
- The 19 members of the 1994 Group (18 in England) – this group consists of research-led universities with smaller numbers of students;
- The 27 members of the million+ Group (24 in England). These are ex-polytechnics – or 'post 1992 universities';

- The 23 members of the University Alliance group (18 in England), also post-1992 institutions apart from the Open University and Bradford University.

The dividing lines between these four categories are not entirely rigid, and their membership fluctuates; for example, Warwick University was for a time uniquely a member of both the Russell and the 1994 Groups – it has since reverted to sole membership of the Russell Group. Some universities are not affiliated to any of these groups. There are also a handful of private universities such as the University of Buckingham – 'an institution of only a few hundred students ... studying a limited range of vocationally oriented programmes' (Tight, 2009: 114). These are judged to be outside the sample frame of this investigation.

The million+ Group has existed in several incarnations and now defines itself as 'a university think tank' (million+, n.d.). It publishes research reports and policy papers and aims to influence parliamentarians, governments and other agencies. Its members 'play a vital role in supporting and developing the businesses and public services of today and tomorrow' (*ibid.*).

The members of the University Alliance (UA) Group claim that they 'educate over 25% of all UK students, with large proportions of international and post-graduate students' (UA, n.d.). This group advertises its members as 'business-engaged universities' (*ibid.*). In the University Alliance Group Bradford University, like Brunel and Salford which is also a member of UA, and Bath which is affiliated to the 1994 Group, originated as a college of advanced technology and was granted its royal charter as a university in 1966 under the Robbins Committee proposals of 1963. In size it is closer to the members of the 1994 Group. It is therefore somewhat slightly anomalous in this group of mostly large, post-1992 universities. Also in this group the Open University is a very large institution with approximately 210,000 students and the only one of its type in the UK, working almost entirely by distance learning. The University Alliance Group might publicly claim a rather greater commitment to research than does the million+ Group, but this is not borne out in their practice. For example, in this study Middlesex University, a member of the million+ Group is the only post-1992 university expecting to perform pure, as opposed to applied, research, as will be seen in Chapter Five. In the UK the vast majority of

research funding is in any case awarded to the Russell Group, followed by the 1994 Group. Research in the post-1992 universities, whatever their affiliation, is comparatively small in volume.

Viewed broadly, the million+ Group and the University Alliance group overwhelmingly consist of post-1992 universities and may be treated, for the purposes of this study, as one group. This reasoning suggests that approximately six institutions from each of the above three groups (Russell, 1994, and post-1992) should be included in the sample frame.

'Qualitative research meets quite different objectives from quantitative research, and provides a distinctive kind of information' (Ritchie & Spencer, 1994: 175). The concern is less with measurement, sample size and statistical significance as would be the case for quantitative analysis, and more with understanding and explaining. However, 'For applied policy purposes it may therefore be carried out with some kind of linkage to statistical inquiry (i.e. to help develop, illuminate, explain or qualify statistical research)' (*ibid.*). For the 'Framework' charts shown in the next chapter a percentage of the sample plans exhibiting a given theme is shown, at the top of each column. This figure is intended only to indicate relative frequency of occurrence of the theme, and is not claimed to be part of a 'statistical inquiry' or to demonstrate any absolute value.

Treating the sample as representing different segments implies a comparative analysis. Lewis (2003: 50) cautions that there is 'some disquiet in the literature about the application of comparison in qualitative research'. Comparison is seen as potentially distracting from both the original context and 'intensity' of the data. However, Lewis continues:

> Although comparison does need to be handled carefully if the individual meaning of the data is to be retained, it can be a highly effective aspect of qualitative research design and analysis. But the nature of comparison in qualitative research is very different from in quantitative research. The value of qualitative research is in understanding rather than measuring difference. (Lewis, 2003: 50).

A balance also must be struck between sample size and the aims of qualitative research. 'Qualitative samples structured around comparison can easily become over large. [However] Each comparison group sample needs to be large enough to reflect the diversity of its parent population' (*ibid.*: 51). Thus a 'slightly more structured approach to data collection' will be required, 'so that similar issues can be explored across the sample' (*ibid.*). Given the size of the 'parent population' of eighty-three universities, then analysing the current 'corporate' or 'strategic' plans of twenty English universities for trends, dimensions and factors of interest, especially those that might affect the content of the curriculum, should be adequate to capture the range of phenomena related to business models.

HEFCE guidelines require higher education institutions to submit such a plan, and many of these are subsequently available on the Internet. The University of Liverpool's is typical, in that it defines the plan's purpose as being: 'to provide the institution (its staff, its students and its committees) and the relevant stakeholders with a clear statement of the University's mission, aims, objectives and goals' (Liverpool, n.d.: 3). However, like most of the other corporate plans it goes on to elaborate strategic matters and to discuss operational details.

Most of the plans were obtained in 2007, with three initially scrutinised in 2006 for the purpose of assessing the feasibility of this approach, and two more accessed in 2008.The plans are an average of 24 pages in length, although those of Essex and Durham are 52 pages long. They typically cover a four or five year time span. The earliest start year is 2004, the latest finish year is 2015. Thus the last major item of legislation to set the context for these plans would be the 2003 White Paper entitled The Future of Higher Education. After rejecting a few plans that were too brief or too abstract, plans from six Russell Group universities, seven 1994 Group universities, and six post-1992 universities (from the University Alliance and million+ groups) were analysed. A member of the University Alliance group that was not a post-1992 university – Bradford – was deliberately included in the interests of encompassing the 'range of phenomena' argument of Ritchie & Lewis (2003).

Table 4.1 summarises some relevant characteristics of this sample group of universities.

UNIVERSITY	(STUDENT FTE) approx. 2008*	AFFILIATION	PERIOD OF PLAN
Bath	15,000	1994 Group	2006 – 2009
Bournemouth	18,000	University Alliance	2006 – 2012
Bradford	14,000	University Alliance	2004 – 2009
Brighton	21,000	million+	2007 – 2012
Coventry	19,500	million+	2005 – 2010
Durham	17,500	1994 Group	2005 – 2010
Essex	12,000	1994 Group	2007 – 2011
Exeter	16,000	1994 Group	2006 – 2010
Greenwich	25,000	million+	2006 – 2011
Leeds Metropolitan	39,000	million+	2004 – 2008
Leeds University	33,500	Russell Group	2006 – 2015
Leicester	15,500	1994 Group	2004 – 2008
Liverpool University	20,600	Russell Group	2004 – 2007
Manchester	39,000	Russell Group	2006 – 2015
Middlesex	23,000	million+	2005 – 2010
Newcastle University	20,250	Russell Group	2006 – 2011
Oxford University	24,500	Russell Group	2005 – 2010
Southampton	23,700	Russell Group	2004 – 2010
Sussex	12,500	1994 Group	2006 – 2007
York	13,000	1994 Group	2005 – 2009

***Source: HESA**

Table 4.1: The Sample Group of universities

4.10.2 Familiarisation

'Before beginning the process of sifting and sorting data, the researcher must become familiar with the range and diversity, must gain an overview of the body of material gathered' (Ritchie & Spencer, 1994: 178). The same authors go on to remark that 'Familiarization involves immersion in the data' (*ibid.*).

> During the familiarization stage, the analyst is not only gaining an overview of the richness, depth and diversity of the data, but also beginning the process of abstraction and conceptualisation ... the analyst ... reads through the material, listing key ideas and recurrent themes (Ritchie & Spencer, 1994:179).

As part of this familiarisation process all twenty corporate plans were carefully read and a concise summary of each one was produced, ending in a brief individual commentary, this essentially being a process of data reduction.

Faced with twenty documents, ranging in size from just four pages for the relatively short time span of Sussex, via six pages (for Bath and Newcastle) and up to fifty-two pages (Essex and Durham) then some homogenisation and reduction of these various corporate plans was found to be useful. Each of the twenty summaries is typically of six pages length, but this length is variable, and increased up to eleven pages of summary for Manchester University. A sample summary from each of the three groups is included as an appendix to this dissertation, namely summaries for Manchester, Essex, and Brighton. Interestingly the length of the summaries is not linearly related to the length of the original corporate plan – this partly reflects the un-mechanical nature of the 'Framework' methodology. This summarising process performed the dual purpose, not only of immersing the researcher in all the data, but also helping to identify and develop the key themes that would eventually form the thematic framework. Within the summaries page references to the relevant passages in the original corporate plans were included, thus maintaining the link back to the original material for direct retrieval, checking, and quotation. As a minor consequence of this page numbers do not have to appear in the charts. This seems to be a very useful refinement of the original 'Framework' method, and preserves all of the aspects of the philosophy and practicalities of the method. This helpful and clarifying additional step can be justified by the remark that 'The method, of course, needs to be adapted to suit the aims and coverage of a

specific piece of research' (Ritchie & Spencer, 1994:193), and furthermore part of the strategy in the methodology is that:

> ... the original data will need to be reduced from their raw form of ... documentary evidence ... This reduction is an inherent and essential part of the analytic process ... But it also needs to be carefully handled so that the original terms ... are not lost. It is therefore important that the synthesis is captured, partly to ensure that it can always be checked back against the original material, but also to have a record of the conceptualisation or interpretation that is taking place (Spencer *et al*, 2003: 210).

Hence the preservation of a linking reference back to the original corporate plan in each case. The indexing process proper was then applied to these summary documents, always keeping in mind that:

> the analyst ... attempts to identify the key issues, concepts and themes according to which the data can be examined and referenced. That is, she or he sets up a thematic framework within which the material can be sifted and sorted. When identifying and constructing this framework or index, the researcher will be drawing upon a priori issues (those informed by the original research aims ...), emergent issues ... and analytical themes arising from the recurrence or patterning of particular views or experiences (Ritchie & Spencer, 1994:179-180)

4.10.3 Identifying the Themes

A crucial aspect is that the analysis should possess a sensitivity to factors or dimensions that could be related to the business model. Thus an alertness was maintained for items related to the four components of a business model that Johnson *et al* (2008) specify as discussed in Chapter Three, namely: Customer Value Proposition (CVP); Profit Formula; Key Resources; Key Processes. Also borne in mind were the four insufficiencies that could act as barriers for the customer: wealth, access, skill and time.

Although explicit mentions of the curriculum, its content and how it is determined and managed will be key to this study, and were, naturally, built into the initial drafting of the Thematic Framework, and likewise issues around such departmental closures as were mentioned in Chapter One were of interest to this study, the initial sketching of the Thematic Framework concentrated on: the

CVP qualities on offer to the 'student customer', including USPs and teaching; profit formula such as revenue generation, financial management and the streamlining of operations; key resources such as infrastructure, physical environment and staffing; and key processes such as quality assurance and measurement. These *a priori* themes and sub-topics likely to be relevant to business models and university operation set the agenda. Also included in the initial sketching of themes were: management 'style', attitude towards personnel, financial posture in terms of surplus and deficit, academic reputation, academic standards, what was said about research, and also possibly a 'miscellaneous' category. Barriers such as wealth, access, skills and time could be expected to appear in the university strategic plans in the shape of fees and bursaries, outreach activity, student recruitment policy, and flexible delivery modes respectively.

With these *a priori ideas* in mind, an initial read through of a strategic plan from each of the three groups of institution was made: these first plans were from Middlesex, Liverpool, and York. Themes were annotated in pencil on the plans themselves, and a separate summarising list of these was made in parallel. It quickly became clear that some themes were common across all three plans. In particular an overwhelming impression was formed that revenue growth featured prominently, and that this growth involved a variety of sub-themes. Perhaps this is an example of Marginson and Considine's 'isomorphic closure' mentioned in Chapter Two. Unsurprisingly teaching issues and research were mentioned in all the plans, but with different sub-themes appearing.

Further plans were read and notes made on them; it was found to be more effective to read through a series of plans from the same group, rather than mix the groups together, as this facilitated the identification of patterns in the themes. The emphasis at this stage in the process was less on grouping themes and sub-themes together in a polished logical pattern than simply capturing all of the relevant content of the strategic plans. For example, Manchester's plan (see Appendix) stated the intention to employ Nobel prize-winners (Manchester, n.d.: 6). Provisionally this was noted as a possible USP, but it might also have been listed as an issue of teaching quality or research quality. On reading the detail of the plan it became clear that this was a

message concerning positioning and status, and was essentially intended as a USP. To give another example, electronic teaching or 'virtual learning environments' (VLEs) were mentioned in the majority of the plans, including those of Manchester (n.d.: 9) and Exeter (n.d.: 9-10). This issue might be classified as a 'growth' topic, where institutions expand student numbers by reaching distantly domiciled international students. Alternatively it might be classified as a question of 'infrastructure'. However, on reading the rationale in the plans it became evident that this should be categorised as a 'teaching' issue, whereby teaching materials could be made available in a more efficient and effective form. These two examples demonstrate the important aspect of the process in that it was driven by the data; the content and its meaning in the plans was honoured, and this is what ultimately appears in the results of the analysis. To give a further example, a separate theme handling the question of international students appeared from reading through the plans, and this was eventually classified as a sub-theme of the main 'growth' theme. This made sense on reading through the plans as these motivated the growth of international student numbers as a revenue issue on two grounds; growth in numbers beyond the domestic limits, and secondly because international students usually pay higher fees (Manchester, n.d.: 14).

As a final example, it was noticed that four plans including Exeter's proposed to form a new medical school. Most of the large civic universities have had a medical school for many decades, but Exeter proposed to initiate one in partnership with the University of Plymouth and the NHS (Exeter, n.d.: 2). Rather than subsume the question of a new medical school under the theme of 'Partnership / Regional' or 'Partnership / NHS' it was felt that this was an issue deserving its own sub-theme, and it was classified under the main 'Growth' theme.

This initial list of factors is akin to the 'topic guide' that interviewers in qualitative research draw up before the interviewing commences (Ritchie & Lewis, 2003). Some contents of this 'topic guide' might end up as themes in the 'thematic framework' of the 'Framework' methodology, others might prove to be irrelevant or simply prove not to be found in the raw data. Such 'null topics' are to be expected in this type of research – that is, a potential or even expected theme

might not actually appear in the data. For instance, an earlier version of the Thematic Framework contained the anticipated item 'reduce staff costs'. It became apparent that none of the twenty corporate plans contained such an item, although three did discuss the use of voluntary redundancy (VR) schemes. Therefore 'reduce staff costs' was deleted from the study and the VR topic was added (as 9.6 in Chart 9), especially since it was related in the corporate plans to issues of 'performance'. Ultimately there was no data that could usefully be identified as 'Miscellaneous', so this was deleted from the final list of themes, although a sub-theme labelled 'Other' was introduced into the USP theme in Chart 7. To reiterate: although a watch was maintained for relevant topics, the final list of themes is directly based on the data itself. Very little abstraction has yet occurred in the analysis at this stage of the process.

The iteration involved in converging onto a final list of themes was not extensive, consisting of two major iterations of the complete list and four or five additions and modifications to the sub-themes. Such an iterative process for identifying and grouping themes is also described by Jarzabkowski and Wilson (2002). However, the advice of Ritchie and Spencer is certainly apposite:

> Devising and refining a thematic framework is not an automatic or mechanical process, but involves both logical and intuitive thinking. It involves making judgements about meaning, about the relevance and importance of issues, and about implicit connections between ideas. In applied social policy research, it also involves making sure that the original research questions are being fully addressed (Ritchie & Spencer, 1994:180)

Many of the themes found in the plans appear to reflect the policies and concerns of the 2003 White Paper *The Future of Higher Education* (DFES, 2003). Often these are posed in ways that are subtly different to the intent expressed in the White Paper – there is an interesting slippage between the policy makers of the government and the local policy makers at individual university level. Thus the White Paper encourages strategic collaboration between universities on the terrain of world-class research in order to benefit from economies of scale, the achievement of critical mass, and to maximise return from expensive infrastructure; in the local strategic plan this is often translated into collaboration for reasons of sharing cost and risk. The White

Paper encourages partnerships between further education colleges and universities in order to assist with widening access to less traditional groups of students; in the individual plans this is put into effect but with the logic of providing a steady 'feeder stream' of students and hence revenues, especially for the upgrading of foundation degrees into honours awards. So along with the business model dimensions noted above, the identification of themes was obliquely assisted by keeping in mind the content of the 2003 White Paper. The final thematic framework follows in Table 4.2, below:

THEME	INDEX NUMBER
Curriculum Design	**1**
Inter- & multi-disciplinarity	1.1
New Disciplines	1.2
Withdraw from Low Demand Subjects	1.3
Fiscal Viability	1.4
Eliminate Cross-subsidies	1.5
Employers' Input	1.6
Bologna Framework	1.7
Financial Management	**2**
Diversification of income	2.1
Achieve Surplus / Reserve	2.2
Deficit / debt	2.3
Expenditure Control	2.4
Reduce Consumption	2.5
Risk Management	2.6
Fundraising / endowments	2.7
Streamline Systems	2.8
Marketing	2.9
Growth	**3**
Undergraduate	3.1
Postgraduate	3.2
Overseas	3.3
NHS	3.4
Research (Pure)	3.5
Research (Applied)	3.6
Knowledge Transfer	3.7
Critical Mass	3.8
New Medical School	3.9
Research	**4**
Increase % Research Active Staff	4.1

Selectivity	4.2
Quality Research (QR)	4.3
Restructure	4.4
Teaching	**5**
Quality	5.1
CETL	5.2
Synergy with Research	5.3
Student Feedback	5.4
Vocational	5.5
VLE	5.6
Foundation Degrees	5.7
Lifelong Learning	5.8
Flexible Delivery Modes	5.9
Partnership	**6**
Local education	6.1
Regional	6.2
National	6.3
International	6.4
NHS	6.5
Unique Selling Points	**7**
Location	7.1
Élite, leadership	7.2
Status, reputation	7.3
Employability	7.4
Other	7.5
Infrastructure	**8**
Improve Efficiency	8.1
Rationalise Estate	8.2
Modernise Estate	8.3
New Science Park	8.4
New Campus	8.5
Environmental Impact	8.6
Human Resource	**9**
Incentives / PRP	9.1
Management / leadership training	9.2
Review of Academic Roles	9.3
Diversify Academic Roles	9.4
Workload re-balancing	9.5
Voluntary Redundancy	9.6
Community Engagement	**10**

TABLE 4.2: Thematic Framework (major themes in bold)

The raw data proved to be quite dense and rich in content. Ten major themes were identified, with a total of sixty categories or sub-themes (i.e. 1.1, 2.3, 4.3, etc.). This compares reasonably with an exemplar study (of family living standards) given by Ritchie & Spencer (1994) that contained eight major themes and fifty-nine sub-themes.

Having established the frame of the data and identified the themes, a detailed analysis using the 'Framework' methodology is presented next in Chapter Five.

Chapter Five – Findings

5.1 The Corporate Plans in General

A close reading of these corporate plans reveals at least as much similarity as there is difference. This should not be surprising, as all of these universities are operating within the same global market, a market that is, moreover, regulated to a great extent within their home country. Consequently some themes commonly occur within the data.

The content of the plans is a mixture of the aspirational – aims and values that have a 'soft' emphasis – and the operational, that is detailed, concrete aspects of each university. This corresponds to the often-used distinction between aspects of policy that are 'expressive' and policy that is 'instrumental'. Sometimes, as in the case of Essex, detailed spreadsheets outlining student numbers and targets are appended. Often, as in the case of Bath or Coventry, projected growth is expressed as percentages or target numbers. The aspirational dimension of the reports is reflected in formulations such as 'intends to' or 'aims to become', or general terms such as 'excellence' or 'high quality'. The most ambitious plan in both senses – expressive and instrumental – is that of Manchester, an already large and academically distinguished university, that sets itself the goal of becoming one of the top 25 universities in the world by 2015. This strategy is buttressed by extensive use of targets and measurements – 'Key Performance Indicators' (KPIs) – a feature common to many of the strategic plans in the sample.

5.2 Charting the Themes

A hypothesis is that the different segments of higher education will tend to exhibit different business models. As stipulated by Ritchie & Spencer (1994), different groupings may be shown and the ordering of cases within the initial charting is maintained within this, so the three groupings are ordered as: Russell, 1994 Group, and million+ / University Alliance. Within each grouping the universities are listed alphabetically by name.

Explicit curriculum design or other alteration activity is summarised in Chart 1. For this research a careful distinction has been maintained between the four

terms 'curriculum', 'subject', 'discipline', and 'course'. The curriculum is the collective set of subjects in an educational system: 'the subjects that are studied or prescribed for study in a school', according to the Concise Oxford Dictionary. Subjects and disciplines therefore form part of the curriculum, and all three are matters of concern for this study. A course, on the other hand, is nowadays in UK higher education a name indicating a module, or a route composed of modules, and its lifespan may be rather brief depending upon the perceived market need for it. The changing of courses does not necessarily represent the fundamental change in the subjects or disciplines of a university that is the focus of this investigation.

The important theme of curriculum, subject, discipline or indeed departmental closure is not usually made explicit in the strategic plans studied, and perhaps this is not surprising given the unwelcome publicity that the closure of a discipline or subject area attracts, along with the associated difficulties of academic redundancies and the problem of redistributing and realigning resources (Dearlove, 2002). In this respect, Exeter's plan mentions:

> the conversion of traditional Chemistry laboratories to allow them to concentrate Biosciences activity in support of and complementary to further development and expansion of the Peninsula Medical School (Exeter, n.d.: 18)

On a possibly related matter Exeter's plan notes the need to 'Repay in full funds drawn down from an overdraft facility that was used to meet voluntary severance costs' (Exeter, n.d.: 14). Nonetheless, despite the sensitive nature of this issue, seven of the twenty plans mention or imply sub-theme 1.3 – **withdrawal from curriculum areas suffering low demand** or which have perceived low academic performance, these two factors being routinely conflated. The language employed is sometimes brutally frank:

> existing areas of academic activity which are problematic academically, financially, or both ... require intervention to provide remedial action over a period of years or disinvestment. (Bournemouth, 2006: 3)

> [Brighton University] will ... deal decisively with any parts of the curriculum that cease to be fit for purpose (Brighton, 2007: 4)

> The University will transform the curriculum, pioneering new areas and refreshing, closing or transferring others ... The burden of proof will be on all courses to argue their case for inclusion in prospectuses ... ... The winding down of those courses which are not to be included will be swift ... Courses will not be allowed to 'wither on the vine' but positive decisions one way or another will be taken each year (Leeds Metropolitan, 2004: 6)
>
> While the University expects to sustain the breadth of its provision it will continue to assess the mix, balance and academic performance of its portfolio, and will adjust these in pursuit of its strategic objectives (Newcastle, n.d.: 2)
>
> [Southampton University will] manage the portfolio of academic activities to secure intellectual excellence equivalent to that of the best universities in the UK, and divest activities where financial stability and academic stature cannot be achieved (Southampton, n.d.: 6)
>
> withdrawing from areas of relative weakness to make Sussex a more competitive institution and academically strong (Sussex, n.d.: 4)
>
> Where programmes have become unsustainable, we will cease teaching them (Greenwich, n.d.: 3)

Pursuing the dimension of financial consideration, eight plans cite **financial viability** or market demand – sub-theme 1.4 – as positive shaping forces for the curriculum:

> [The University aims to] continue to review subject offerings and programme content to ensure that the University's taught provision is appealing and in demand (Liverpool, n.d.: 4)
>
> review Continuing Education and CPD; re-align with greatest demand (Liverpool, n.d.: 9)
>
> [The] Academic programme must reflect the market demand of employers and students, both in the UK and overseas ,,, Regularly review portfolio to ensure alignment with national and international trends in demand (Middlesex, 2005: 9)
>
> We will review and develop undergraduate and taught masters programmes to ensure a dynamic portfolio, market led (Exeter, n.d.: 10)
>
> Academic planning will take place through a careful assessment of demand, primarily national and regional, but also

> with an awareness of wider European and international opportunities and subject strength (Greenwich, n.d.: 3)

Combining these 'negative' and 'positive' sub-themes, respectively 1.3 and 1.4, such direct revenue dependent effects on the curriculum are therefore addressed in 55% of the plans discussed here, with four of the plans containing both of these sub-themes. These shaping forces are usually expressed in the managerialist terms of planning and incentives, in order to align operations with strategy. The euphemism 'priorities' is frequently deployed in connection with possible shrinkage of the curriculum, and a common way of realising these imperatives is to allow incentives and rewards to be driven by 'priorities'. In a particularly jargon-ridden example, Manchester's plan couches matters thus:

> in evaluating performance and allocating resources ... the University will give priority to strategies and outcomes that help to position Manchester in particular fields of research as a world leader. Conversely, less ambitious aspirations or goals that fail to contribute [to this plan] will be regarded (and resourced) as lower priorities ... an annual cycle of planning and accountability that will persist, year-in and year-out, at all levels of the University ... provides for the re-calibration of goals, strategies, targets and [KPIs] ... Operational Plans will inform plan-based incentive-driven budgeting (Manchester, 2006: 5)

In order to give a full and fair picture a countervailing tendency might be identified, in that new subjects might appear in the curriculum as the quotation above from Leeds Metropolitan's plan illustrates. Eight out of the twenty plans explicitly mention new disciplines, although it is salient that none of these are in the Russell Group. The plan for Essex remarks that this university historically 'always incorporated emerging disciplines and an international outlook, including curriculum design' (Essex, 2007: 1), and Bradford intends to grow student numbers by 13% by December 2009 (from 2004) in part by 'Broadening our portfolio of courses to meet local, regional and national demand for interdisciplinary combinations and subjects' (Bradford, n.d.: 3). Whether such market-driven innovations can persist in the longer term, as many more traditional disciplines have been able to persist, remains to be seen. Moreover it is not clear whether inter-disciplinary combinations will result in truly new disciplines. However, inter-disciplinary and multi-disciplinary combinations are often discussed in relation to theme 4, research, and just over half of the plans

claim that their institution's teaching will be informed by research (sub-theme 5.3), so it is conceivable that new disciplines might eventually appear on the curriculum via this route. Militating against the possibility of research-driven new curriculum areas developing is the extreme selectivity operated in the supporting of research, as discussed below. And ultimately, new curricula are heavily determined by financial considerations:

> In deciding the new areas in which it will invest criteria will include strong applicant demand, linkage with existing areas of strength and the opportunities the discipline offers for widening access (York, 2005: 9)

Another potential source of new curricula might be **inter- and multi-disciplinarity** in the taught curriculum. These are mentioned in just one fifth of the plans, mostly in the UA / million+ category. This might reflect a current tendency for disciplines to converge, often under the influence of the new possibilities of digital technology (genetic science and also some creative arts being two fields currently affected this way). More commonly the impression is of the hope to generate previously unexploited synergies between different organisational and subject groups within any given university. Usually the details were not specified, and a critical reading of these aspirations might conclude that this was an instance of 'magical thinking'. A more generous interpretation would be that universities did not want to miss out on exciting new research possibilities, an example being Durham's desire to:

> Support and develop existing and emergent, perhaps multi-disciplinary, research groupings, not necessarily mapping onto existing departments (Durham, 2005: 7)

Certainly the research dimension rather than the wider educational aspects (such as teaching new subjects) is how this particular topic is usually framed in the corporate plans. York's plan, for instance, remarks that new subjects will be chosen in part for their research potential. One might speculate that the relatively infrequent mention of interdisciplinarity might be because it exists anyway under the guise of research.

Chart 1: Curriculum Design

	1.1 Inter- & multi-disciplinary	1.2 New Disciplines	1.3 Withdraw from Low Demand	1.4 Financial Viability	1.5 Eliminate X-subsidies	1.6 Employers' Input	1.7 Bologna Framework
Leeds							
Liverpool				●		●	
Manchester							
Newcastle			●	●			
Oxford							●
Southampton			●	●			
Bath							
Durham							
Essex		●				●	
Exeter				●			
Leicester							
Sussex		●	●		●		
York	●	●		●			
Bournemouth	●		●				
Bradford	●						
Brighton	●	●	●	●			
Coventry		●					
Greenwich		●	●	●		●	
Leeds Metro		●	●				
Middlesex		●		●			
% of Plans	20	40	35	40	5	15	5

Financial Management is summarised in Chart 2, which has nine sub-themes. It was expected that this dimension might give good insight into possible business models, but in fact the findings here are mostly unremarkable, and the more interesting aspects are dealt with in passing elsewhere in this chapter. Suffice to say that most universities in a period of reduced income and increased competition seek to eliminate any debt, reduce costs, improve cost accounting, and generally tighten their financial control, often employing information technology to help do so. A curiosity is that the accrual of the small surpluse that HEFCE rules permit is mentioned in most of the 1994 and UA / million+ group plans, but in only one of the Russell Group plans, that of Liverpool.

Even at the most prestigious levels such as Oxford, or those universities explicitly aspiring to those levels such as Manchester, funding and the need to grow it is of concern, especially when judged on a *per capita* basis against other first rate institutions globally. The corporate plans of both these universities made envious mention of the endowments prevalent in the leading universities of the USA:

> Whether because of enlightened public funding, massive endowments, major fee based or industry-linked revenues, or some combination of these and other income sources, such [world class] universities are able to invest immense resources in the vital functions they perform (Manchester, n.d.: 5)

> the data suggest that Oxford has managed to retain its position amongst the world's elite despite chronic underfunding. ... At the same time, Oxford's international competitors have been generating substantial surpluses and investing them to enhance their standing ... The task for Oxford, then, is to find the ways and means to keep up with – and outperform – its competitors in challenging financial circumstances (Oxford, 2005: 3)

For a smaller university such as York, 'Growth will deliver critical mass across a wider range of disciplines and enable operational economies of scale to be realised' (York, 2005: 4).

A theme closely related to growth is that of **diversification of income**, classed as sub-theme 2.1 in the thematic index. This is explicitly identified, again often

in conjunction with a desire for independence from the state, in 60% of the plans. Oxford's plan records that:

> In comparison with most UK universities, Oxford enjoys a relatively diverse income base. For example, income from HEFCE accounts for less for than 30% of the total. At the same time, only about 12% of the central University's annual income comes from fees, and about 8% from endowments or investments (Oxford, 2005: 20)

However, even this apparently favourable position is deemed inadequate, as the document immediately reiterates the earlier remark concerning endowments:

> While Oxford's colleges benefit from significantly higher levels of income from endowments and investments, Oxford's overall endowments are dwarfed by those of the leading US institutions. (Oxford, 2005: 20)

Strikingly, Bournemouth sets itself a target of income that is less than one third derived from HEFCE by 2012, and Middlesex desires to have less than 25% of its income from HEFCE by 2015. These two institutions, as do several others, motivate such figures in terms of the wish to become more autonomous, less affected by the vagaries of Government policy. Another example from Leeds University makes the link explicit:

> we will gradually reduce our dependence upon HEFCE. Our strategic aims are dependent upon growth and diversification of income streams (Leeds, 2006: 28)

The rationale for diversification is probably expressed most plainly in Leeds Metropolitan's strategy: 'As HEFCE funding will be insufficient, all seven faculties will develop stronger streams of research income from other sources' (Leeds Metropolitan, 2004: 22).

It is noteworthy that in every single one of the 20 plans consultancy, intellectual property rights (IPR), start-ups and spin-outs (business germination and incubation) are enthusiastically embraced as generators of income streams. Often referred to in the plans as 'third leg' activity, such forms of income

generation have been classified as 'Knowledge Transfer' in sub-theme 3.7 in the thematic framework. Such unanimity amongst the plans demonstrates the significance of Knowledge Transfer, and Leicester's plan expresses the worry that 'If the University does not achieve its objectives, it will lose credibility amongst its peers, and third leg funding will be put at risk' (Leicester, 2004: 10). Manchester's plan, again with an envious glance towards its international competitors, states the case with a characteristic mixture of bluntness and high ambition:

> The absence of a major endowment base and relatively uncompetitive levels of recurrent funding in comparison with first rank international universities make it imperative for The University of Manchester to be in the vanguard of best practice in leveraging its IP and transferring knowledge and technology to industry ... [Target of] Annual increases of 10% between 2004 and 2015 in the value of third party investments in university spinout (Manchester, n.d.: 8)

Fundraising, often in connection with alumni relations, is mentioned in thirteen (65%) of the plans. Brighton sets a benefaction target of £1m per annum, Durham's target is £5m per annum by 2010, and Coventry invests in customer relationship management software and an IT system called 'Raiser's Edge'.

Streamlining internal organisation and closer fiscal monitoring and control, often deploying the word 'rigorous', is another common sub-theme (index 2.8), mentioned by one quarter of the universities whose corporate plans were studied. Also in the 'businesslike' dimension, marketing and improving internal and external communication are mentioned in several of these twenty plans. Concern is often expressed for universities to make efficient use of financial and capital resources. Around half of the plans discuss re-aligning organisational structures to reflect the imperatives of their strategy, and a similar number specify cyclical monitoring, reporting and reviewing processes (usually annual) to keep check on progress and performance. Key Performance Indicators (KPIs) and benchmarking are often proposed in this context. Year-on-year improvements in KPIs, are often specified. These often cite student satisfaction surveys as drivers for improvement.

Marketing is discussed in seven (slightly more than one third) of the plans, and a particular sensitivity concerning reputation is evinced by some of the plans; Exeter is concerned with 'Managing the University's "brand" and protecting the University from reputational attack' (Exeter, n.d.:12), and Sussex' plan lists steps to strengthen its 'Brand, reputation, [and] international reach' (Sussex, n.d.: 1 & 2).

Chart 2: Financial Management

	2.1 Diversify Income	2.2 Achieve Surplus	2.3 Deficit / Debt	2.4 Expend'r Control	2.5 Reduce Consumpt'n	2.6 Risk Managem't	2.7 Fundraising	2.8 Streamline	2.9 Marketing
Leeds	●						●		
Liverpool	●	●		●					
Manchester						●	●	●	●
Newcastle	●								●
Oxford	●		●	●			●	●	
Southampton									
Bath	●								
Durham	●	●					●		
Essex		●	●		●		●	●	●
Exeter	●	●	●	●	●		●		
Leicester	●	●							
Sussex		●							
York	●	●		●	●	●	●	●	●
Bournemouth	●			●			●	●	●
Bradford						●	●		
Brighton		●					●		
Coventry		●				●	●		
Greenwich		●					●		●
Leeds Metro	●	●							
Middlesex	●	●				●	●		●
% of Plans	60	60	15	25	15	25	65	25	35

Growth: These sub-themes are shown in Chart 3. It is striking that all of the plans contain an imperative for expansion, usually expressed as the need to increase income. This is not surprising given the reduction in HEFCE support per capita of around 40% in real terms over the ten or so years to1997. Often appearing alongside revenue growth is a parallel motive – to develop prestige. This duality seems especially strong for research activity. Another equally significant factor is mentioned – the need to maintain autonomy. Oxford's plan states this succinctly:

> The competitiveness of Oxford in the longer term is contingent on much greater financial security and autonomy, where the former depends in part on the latter (Oxford, 2005: 3)

Postgraduate (PG) numbers in 60% of the plans and international markets in 80% of the plans are heavily targeted, on the grounds that full economic cost recovery (FEC) is more possible for these markets. All of the Russell Group members in the sample targeted international growth, and in the other two groups 71% of the plans do likewise. Exposure to international market competition can be problematical, and Leicester's plan shows concern that:

> an increased reliance on non-HEFCE funding will expose the University to new market forces and additional uncertainties, particularly with regard to overseas student recruitment (Leicester, 2004: 27)

Undergraduate (UG) teaching is less frequently targeted for expansion. In fact in the Russell Group only Newcastle University had a plan called for undergraduate growth, and only three universities – roughly 43% – in each of the two other groups had such plans. The judgement appears to be that the undergraduate 'market' has reached saturation, with just under half of the 18-30 age group attending higher education in the UK around the time that these plans were formulated. Another constricting factor is that HEFCE imposes upper limits on student numbers, with financial penalties for universities that exceed this 'capped' quantity.

However, sub-degree expansion, in the form of foundation degrees and continuing professional development (CPD) activity, was mentioned in four of

the seven, or 57% of, 1994 Group universities. Furthermore, all but one (Coventry) of the six post-1992 universities expresses an interest in foundation degrees, although Middlesex' plan notes the trend without making a firm commitment. By contrast, none of the Russell Group plans proposed sub-degree expansion.

Chart 3: Growth

	3.1 Undergraduate	3.2 Postgraduate	3.3 International	3.4 NHS	3.5 Research (Pure)	3.6 Research (Applied)	3.7 Knowledge Transfer	3.8 Critical Mass	3.9 New Medical School
Leeds			●		●		●		
Liverpool		●	●		●		●		
Manchester			●		●	●	●	●	
Newcastle	●	●	●		●	●	●		
Oxford		●	●	●			●		
Southampton		●	●				●		
Bath	●	●			●	●	●	●	
Durham		●	●		●		●		
Essex			●	●	●	●	●		●
Exeter					●		●		●
Leicester	●	●	●	●		●	●		
Sussex		●	●		●		●		
York	●	●	●	●	●	●	●	●	
Bournemouth				●			●		
Bradford	●	●	●				●		
Brighton			●			●	●		●
Coventry	●		●			●	●		
Greenwich	●	●	●			●	●		●
Leeds Metro						●	●		
Middlesex		●	●		●	●	●		
% of Plans	35	60	80	25	55	55	100	15	20

Continuing with the important area of **Research** (summarised in Chart 4), the plans show strong evidence that every one of the Russell Group and all but two of the UA / million+ and three of the 1994 Group intend to be highly selective concerning those subjects where research is supported (sub-theme 4.2). Some representative extracts follow:

> ensure all of our research groups are well positioned to deliver long-term growth and excellence. We are introducing market, competitive and strategic perspectives into research planning to achieve this (Leeds, 2006: 13)
>
> we will develop selected peaks of excellence. These peaks will be world renowned, with a critical mass based upon a sustained track record of international excellence, producing paradigm-shifting research that makes a global impact upon society (Leeds, 2006: 12)
>
> selective investment, focusing on departments with identified potential for excellence. The staff and non-pay allocation methodology has been refined to ensure that due account is taken of RAE achievement, and there is monthly monitoring of research grant application and award data (Leicester, 2004: 5)

Research income, academic status, competition, and selectivity are all tightly bound together in the research dimension of most of the plans. For Leicester:

> It is the University's research status ... and in particular its high position in the UK in terms of research income, which offers to the institution the most powerful and realisable opportunities of identifying projects with practical and commercial potential (Leicester, 2004: 9)

For Sussex which will 'make itself competitive as a leading research institution ... research led and research intensive', the strategy will be 'making evidence-based investment in areas of identified academic strength and distinction', and 'engendering and supporting a culture of success in submitting applications for research grant and contract income to maximise overhead income in an increasingly competitive environment' (Sussex, n.d.: 1).

After stating that funding must be used selectively in order to reward research excellence and to nurture new initiatives, Oxford's plan follows this logic by noting that 'the funding available to transform the fortunes of less successful departments and faculties will be limited', and ominously remarks with respect to research, in sub-theme 4.4:

> If there is evidence of sustained underperformance across a department or faculty the possibility of restructuring must remain open (Oxford, 2005: 5)

Leeds' plan offers that this university must 'aggressively grow research income' (Leeds, 2006: 9), and the extracts from the corporate plans make it clear that this is as much an issue of income generation as it is of prestige and standing. Doubtless the selectivity and competitiveness is partly an artefact of the Research Assessment Exercise (RAE), the 2008 edition of which is implicated in the plans. Almost half of both the UA / million+ and the 1994 Groups indicated an intention to increase the number of research active staff (sub-theme 4.1), whilst only one of the Russell Group – Leeds – expressed this, presumably because the Russell Group – which received 68% of UK research council funding in 2008-09 – are already leaders in research in the UK (Russell Group, n.d.). These differences demonstrate how competitively and thoroughly the Russell Group members play the RAE 'game'. Another notable distinction is in the nature of the research income generation: two-thirds of the Russell Group and 85% of the 1994 Group seek income growth from pure research, whilst only one of the UA / million+ group – Middlesex – does so. Conversely, just over 70% of the UA / million+ group wish to grow income from applied research, whilst 57% of the 1994 Group plans mention this and only one third of the Russell Group plans do so. Coventry's plan ambitiously calls for an increase in staff active in applied research from 68% in 2006 to 100% by 2010. Applied research shades over into Knowledge Transfer activity in practice, and as has been mentioned, all the corporate plans in the survey envision income growth from this area. Even a larger university such as Manchester echoes Leeds' concern with the 'critical mass' question in developing distinctive research peaks:

> To establish The University of Manchester by 2015 as a world renowned centre of scholarship and research, able to match the leading universities in the world in attracting and retaining teachers, researchers and "critical mass" research teams of the highest quality (Manchester, n.d.: 6)

The Russell Group research-intensive universities usually set targets for research students, and express a desire to at least maintain if not increase research income. Four universities – Liverpool, Southampton, Leicester and Bradford – set targets to maintain or increase the 'quality research' (QR) component of their research income. None of the post-1992 universities in this survey have plans that mention QR income. The post-1992 universities often

express a desire to increase research income, but this is usually coupled to the need to work with business in applied research rather than in the fundamental inquiry of the type that tends to be funded by the research councils and that is so strongly represented in the Russell Group members. This is reflected in Coventry's strategic emphasis on growing 'applied research':

> Achieve a 50% growth in Applied Research income from £7 million to at least £11 million invoiced at the end of the financial year 2006-07 ... a 50% annual growth in Applied Research income from £11 million to at least £30 million invoiced at the end of the financial year 2010 (Coventry, 2006: 9)

Chart 4: Research

	4.1 Increase % Research Active Staff	4.2 Selectivity	4.3 Quality Research (QR)	4.4 Restructure
Leeds	●	●		
Liverpool		●	●	
Manchester		●		
Newcastle		●		
Oxford		●		●
Southampton		●	●	
Bath				
Durham		●		
Essex	●			●
Exeter	●			
Leicester	●	●	●	
Sussex		●		
York		●		
Bournemouth		●		
Bradford			●	
Brighton	●	●		
Coventry	●			
Greenwich		●		
Leeds Metro	●	●		
Middlesex		●		
% of Plans	35	75	20	10

Teaching aspects are summarised in Chart 5. Surprisingly, although all of the Russell Group strategies and all but Durham in the 1994 Group emphasise teaching quality, only Brighton in the UA / million+ mention this as a key part of their strategy (sub-theme 5.1). E-learning (sub-theme 5.6), primarily advocated as a way to reach new markets, was mentioned in 70% of the corporate plans. Flexible teaching delivery and flexible study modes are often mentioned in those plans that call for e-learning or virtual learning environment (VLE). These points are distributed fairly equally across all three groups. It is noticeable that vocationally oriented teaching is highlighted by all but one of the UA / million+ group, but addressed in only one of the Russell Group documents and less than half of the 1994 Group plans. Echoing the more vocational orientation of the UA / million+ Group, one member of the 1994 Group states that it will develop 'some new, vocationally- oriented disciplines and multiple access routes' with 'a new department of Theatre, Film & TV' (York, 2005: pp.9-10)

Synergy of teaching with research is most commonly mentioned by the 1994 Group (just over 70% of their plans do so), but for the other two groups the occurrence is at around 50%. The rationale for this is clear from Leeds' plan which aims to translate:

> excellence in research and scholarship into learning opportunities for students. Ensuring that our academic excellence in research integrates with excellence in scholarship and education is a key part of our vision. We have set out a long term aim to ensure that research underpins all teaching programmes (Leeds, 2006: 12)

Alongside direct claims for teaching quality, reputation is also a factor as Manchester's plan states:

> by virtue of their research standing, world class research universities attract outstanding students and teachers and, ipso facto, produce outstanding graduates (Manchester, n.d.: 7)

Lifelong Learning, presumably reflecting a Government initiated concern, is explicitly mentioned in half of the plans, although once again not in any of those of the Russell Group. Its emergence can be seen 'as response by employers and employees to the pace of change in an increasingly knowledge-based

economy' (Middlesex, 2005: 3). Perhaps provision of lifelong learning might also represent a stable long-term income stream.

Chart 5: Teaching

	5.1 Quality	5.2 CETL	5.3 Synergy with Research	5.4 Student Feedback	5.5 Vocational	5.6 VLE	5.7 Foundation Degree	5.8 Lifelong Learning	5.9 Flexible Delivery Modes
Leeds	●	●	●			●			
Liverpool	●			●		●			●
Manchester	●		●	●		●			
Newcastle	●	●			●				●
Oxford	●	●							●
Southampton	●		●	●		●			
Bath	●					●	●	●	
Durham			●						
Essex	●		●	●	●	●	●	●	●
Exeter	●		●			●			
Leicester	●	●	●			●	●	●	●
Sussex	●				●				●
York	●		●		●	●	●	●	●
Bournemouth			●	●	●		●	●	
Bradford					●			●	●
Brighton	●	●	●		●	●	●		
Coventry				●	●	●		●	●
Greenwich					●	●	●	●	●
Leeds Metro		●	●	●		●	●	●	●
Middlesex		●			●	●		●	●
% of Plans	65	35	55	35	50	70	40	50	60

Partnerships are summarised by Chart 6. All of the strategic plans except that of Oxford mention one or more forms of partnership, often citing the need to spread or share risk. The usual motivation presented is the desire to secure reliable income streams. Thus recruitment of sub-degree, undergraduate, and postgraduate students (especially those from overseas) is stabilised, and awards and the routes leading to them may be franchised to partner colleges. Smaller universities (e.g. Bath and York) are often concerned to achieve 'critical mass' in research, teaching and knowledge transfer by collaborations and partnerships.

In both the undergraduate and, where applicable, sub-degree markets, 'feeder streams' were frequently sought through **local partnerships** with FE colleges and secondary schools, although Leeds, Oxford and Southampton – 50% of the Russell Group sample – and Durham, Exeter and Sussex in the 1994 Group – 43% of this group – did not target this. These universities are in the main positioned as 'élite' and perhaps do not see the need for assistance in undergraduate recruitment. On the other hand, every single one of the plans in the sample for the UA / million+ specified local educational partnerships.

Uniquely, Manchester's plan even specified *primary* schools in Greater Manchester for outreach work 'to encourage participation from under-represented groups in the community' (Manchester, 2006: 10). Where the university is positioned as élite especial mention is often made of widening participation. Widening participation is in turn invariably linked to the question of developing bursaries to support economically or socially disadvantaged students. When undergraduate and sub-degree expansion is sought then a 'virtuous circle' between the increased student numbers and a commitment to widening participation is commonly highlighted in the corporate plans. Where the university, for example Bradford and Middlesex, is located in a notably diverse local community, then once again much attention is paid to this dimension in the strategic plan, but with an emphasis on serving all members of the community equally and celebrating the diversity. A further aspect of a diverse local community for Middlesex in North London is the chance to build international recruitment and business links.

Partnership with local business is common in order to facilitate knowledge transfer projects. Casting further afield, Newcastle University's plan mentions ongoing 'establishment of links with Singapore' which it describes as 'an entrepreneurial pipeline' (Newcastle, n.d.:2). Bournemouth's plan illustrates the possibilities for growth in both regulated and unregulated markets, with partnerships and alternatives:

> The University will seek to increase, wherever it can, HEFCE-funded undergraduate numbers in the knowledge that growth in this regulated market will be modest and concentrated on Foundation degrees at partner FE institutions. However, significant growth will be achieved in five overlapping student groups (i) postgraduate Masters, (ii) international, (iii) CPD, (iv) PhD and (v) part-time (undergraduate and postgraduate). In addition, we will strive to achieve significant growth in the number of students funded by health providers (Bournemouth, 2006: 5)

This last point illustrates a significant sub-theme (6.5), that of **National Health Service** partnership. This is mentioned by almost half of the universities in this study, primarily with the purpose of providing vocational education. This is not surprising given that the NHS – the largest single employer in Europe and the second largest in the world – represents a huge market. In economic terms, healthcare might also represent a 'defensive' sector; the demand for it is substantially immune to other trends. Some leading research universities – Essex and Leicester being two examples keen to identify themselves as such – are planning to derive key sources of income from highly vocational NHS funded sub-degree education:

> The 'skills ladder' human resources strategy of the NHS is likely to provide the University with many opportunities for involvement in the training and development of hospital workforces, including the provision of new foundation degrees, certificates and diplomas, and CPD programmes.
>
> (Leicester, 2004: 18)

Essex' plan records that in the preceding five years the student FTE in 'nursing, physiotherapy, speech therapy, biomedical science ... and other subjects allied to medicine has grown from 120 to 610', a growth of 408% (Essex, 2007: 2). Students also obtain University of Essex degrees via franchises at the Tavistock

and Portman clinics in London. The plan calls for further expansion for such allied professions delivered and developed in collaboration with regional partners including the 'East of England Strategic Health Authority, local Hospital Trusts and Primary Care Trusts', and as a foundation for a future UG degree in Medicine, and to establish a School of PG Medical Education by 2008/09 (Essex, 2007: 21). Whilst the plan identifies Essex as a top research university with student numbers over the five year period of the plan for home (UG and PG) as almost flat and the overseas student numbers decreasing by -6% for UG and by -10% for PG, the local partnership programme numbers (predominantly healthcare) are to grow by +220%, giving an overall FTE growth of 47% in the period. Collaboration with other universities is also favoured for the NHS orientation, and Essex also proposes to collaborate heavily with FE colleges in its region to this end.

A closely related initiative is theme 3.9, the inception of **new medical schools**. Exeter is helping to set up medical and dental teaching in the new regional Peninsula Medical School in the West Country, involving a partnership with other HEIs in the geographical area. Likewise York and Hull jointly set up a medical school in 2003, Essex is joining with the University of East Anglia and other education providers in East Anglia to set up a new regional medical school for East Anglia (none currently exists there), and the joint opening of a new medical school by Brighton and Sussex universities is imminent. The University of Greenwich is similarly joining with the University of Kent at Canterbury to set up a new medical school covering the Kent and Medway areas.

Chart 6: Partnership

	6.1 Local Education	6.2 Regional	6.3 National	6.4 International	6.5 NHS
Leeds		●	●	●	●
Liverpool	●	●	●	●	
Manchester	●	●		●	
Newcastle	●	●		●	●
Oxford					
Southampton			●	●	
Bath	●	●	●	●	●
Durham		●	●	●	
Essex	●	●		●	●
Exeter		●		●	●
Leicester	●	●	●		●
Sussex		●			
York	●	●		●	●
Bournemouth	●				
Bradford	●	●			
Brighton	●	●			
Coventry	●				●
Greenwich	●	●	●	●	●
Leeds Metro	●	●		●	
Middlesex	●	●	●	●	
% of Plans	70	80	40	65	45

Unique Selling Points are collected in Chart 7. These are of particular interest as they might correspond in large measure with the business model concept of the Customer Value Proposition. By definition these points are rather diverse, and the chart is comparatively sparsely populated except in the matter of **employability** (sub-theme 7.4). Two thirds of the plans emphasise this as a matter of concern. All but Bath in the1994 Group and all but Bradford and Middlesex in the UA / million+ Group are keen to project employability of their graduates as a vital issue. Only two of the Russell Group also mention employability - possibly this reflects a presumption of inherent employability from this higher status group. The weight attached to this issue is captured in Leicester's plan:

> The employability of Leicester graduates is a crucial issue, and careers advice and guidance are priorities for all students. Departments, in close collaboration with the Careers Service, must therefore engage fully in careers support activities. Even where there is a predictable career pathway (for example, in Medicine), students require support to ensure that their aspirations, motivation and self-awareness remain strong (Leicester, 2004: 13)

This matter can also influence the curriculum, as the following extracts reveal:

> The Careers Service will continue to focus on ensuring that students are fully employable by: Curriculum amendments and enhancements, eg more employability focused modules (Newcastle, n.d.:.5)

> [Brighton has a] commitment to make what is taught fully embedded in the social, economic and cultural life and requirements of the locality, region and nation; and to equipping students for productive employment (Brighton, 2007: 3)

Manchester's plan neatly expresses the nexus of quality, reputation, and employability, blending high ideals with practical employment prospects:

> [Premier international universities'] "brands" are synonymous with excellence; their leading scholars are high profile public intellectuals; they are centres of artistic and aesthetic virtuosity; and for their graduates, their names and reputations open doors to the world's most prestigious workplaces (Manchester, n.d.: 4)

Manchester's strategy takes the employability theme further than most:

> [KPI] Progressive improvement in the satisfaction of key employers with the quality of Manchester graduates, as measured by properly validated employer satisfaction surveys (Manchester, n.d.: 9)

Indeed three universities in this survey – one from each group – state that employers' needs or even employers' direct input will be considered in shaping the curriculum.

Whilst Manchester proposes to gather evidence of employer satisfaction with its graduates, Leeds, Exeter and Sussex envisage their education as shaping their graduates into an élite who will help to provide the future leadership of society:

> Exeter graduates should be recognised by employers as amongst the UK's most employable, creative and immediately productive (Exeter, n.d.: 11)
>
> our students will be inspired to excel and will acquire the knowledge, skills and confidence they need to become 'leaders of the future' (Leeds, 2006: 4)
>
> effective teaching and learning, leading to a positive student experience and the enduring value of a Sussex degree ... The University will enhance teaching and learning across the institution and augment the student experience to make it of high quality across Sussex in line with student expectations ...This will be achieved by ... developing strategies to equip students with knowledge and skills to make them effective citizens and to realize their leadership potential (Sussex, n.d.: 3)

Manchester's strategy is ever-ambitious, stipulating a bold USP to:

> make a number of exemplary appointments of scholars whose virtuosity has been recognised in ways that give them iconic status within and beyond the international higher education community. The most obvious example of such iconic status is the award of a Nobel Prize for achievement in a research discipline ... The presence on staff of at least five Nobel Laureates by 2015, at least two of whom have full-time appointments, with three such appointments being secured by December 2007 (Manchester, n.d.: 6)

Half of the Russell group and just over one quarter of the 1994 Group members mention their high reputation or status; none of the UA / million+ Group mention this.

A final USP is found in four plans, including those of Bath, Essex, and Greenwich, which express an intention to become involved with the **2012 London Olympic Games**, and this desire extends even to the geographically more remote university of Durham. Some wish to use the games as a source of work experience or as a volunteering destination for their students, and some hope to contribute by offering their sports facilities as ancillary training grounds. No doubt there is also a desire to gain favourable publicity by association – the 'halo effect' of involvement with such a major international sporting event. Although Exeter's corporate plan does not specifically mention the Olympics,

one of its USPs mentions sport in an ethos that seems curiously reminiscent of 'muscular Christianity', perhaps echoing the élite theme:

> We will ensure a distinctive Exeter experience in an educational environment that emphasises independence and leadership, health and well-being through sport, tolerance and consideration to others through, for example, volunteering and community action (Exeter, n.d.: 10)

Chart 7: Unique Selling Points (USPs)

	7.1 Location	7.2 Élite, leadership	7.3 Status, reputation	7.4 Employability	7.5 Other
Leeds		●			
Liverpool					
Manchester			●	●	
Newcastle	●			●	
Oxford			●		●
Southampton			●		
Bath	●				
Durham	●			●	●
Essex				●	
Exeter		●		●	
Leicester				●	
Sussex		●	●	●	
York			●	●	
Bournemouth				●	
Bradford					●
Brighton				●	
Coventry				●	
Greenwich				●	●
Leeds Metro				●	
Middlesex	●				
% of Plans	20	15	25	65	20

Aspects of **Infrastructure** are displayed in Chart 8. Improving efficiency of internal communications using information and communication technology for supplying such functions as management information and operating student records was mentioned in just over half of the plans, with the 1994 Group members most heavily embracing this. York's plan, for example, remarks that, 'Although a later starter in this field':

> The University has also recognised relatively recently the role of effective deployment of information systems ... particularly in a larger institution where scale economies may begin to operate (York, 2005: 22).

Streamlining of fiscal management using information technology was mentioned by one quarter of the plans examined (sub-theme 2.8). Of the twenty plans only Manchester's did not mention the physical infrastructure. Almost two-thirds of the universities planned to modernise their estate, and almost one third planned a new campus in order to support expansion. Expanding or at least rationalising existing estate is usually discussed alongside any projection of increased student numbers. Fully 40% planned **a new 'science park'**, in the main to support the omnipresent theme of knowledge transfer activity. For York, an existing science park has helped to create 40 businesses and more than 1,800 jobs. A target of a further 15 enterprises is set by York's corporate plan, alongside an aim of doubling income from industry to £5m per annum, and increasing licensing fees thirty-fold to £300,000 per annum.

The relative difficulty of securing capital funding for these projects is often noted. Universities such as Bath and Durham hope to use their location in 'heritage' cities in order to attract students, although some reports discuss how this type of location can also hamper expansion due to physical and planning constraints. For instance, Bath and York universities have to acquire new land at Swindon and Stockton respectively in order to expand. In the case of York the desired contiguous land is in a designated green belt, triggering a public enquiry as a consequence. A similar 'heritage' advantage is noted by a London university, which sees its location being 'one of the world's great cities, which is a magnet for students from all over the world' (Middlesex, 2005: 4).

Environmental impact or friendliness, sub-theme 8.6, is directly discussed in one quarter of the plans. The word 'sustainable' is used in almost every plan and appears to have taken on a talismanic quality. Sometimes it is used to refer to an income stream or other aspect of performance; at other times it is employed in the specific environmental sense, and energy consumption and carbon footprints are explicitly discussed by some universities, sometimes in connection with reducing energy consumption for cost reduction reasons.

Chart 8: Infrastructure

	8.1 Improve Efficiency	8.2 Rationalise Estate	8.3 Modernise Estate	8.4 New Science Park	8.5 New Campus	8.6 Environmental Impact
Leeds	●		●			
Liverpool		●		●		●
Manchester						●
Newcastle	●		●	●		
Oxford	●	●	●	●		
Southampton						
Bath			●			
Durham				●	●	
Essex	●	●		●	●	
Exeter	●	●		●	●	●
Leicester	●	●	●	●		
Sussex	●		●			
York	●		●	●	●	
Bournemouth			●			
Bradford			●			
Brighton			●			●
Coventry	●		●			
Greenwich	●	●			●	
Leeds Metro	●		●			●
Middlesex		●			●	
% of Plans	55	35	60	40	30	25

Human Resource aspects are summarised in Chart 9. According to five plans, re-design and re-definition of academic roles and terms of employment, or a 're-balancing' of academic workload, have recently been put in place or are being developed. Furthermore, in relation to academic work, 60% of the plans mention the use of performance related pay (PRP) or other incentives, presumably in response to the strictures of the 2003 White Paper discussed in Chapter Two. Middlesex' plan for example aims to offer 'better rewards for high quality performance' noting that this 'Requires changes to staff contracts of employment to better reflect the aims of the university', and setting the payment of '10% of staff emoluments through incentive and reward schemes' (Middlesex, 2005: 8). Other plans exhibit a more operational flavour:

> The university is currently implementing the new pay and grading framework, and the benefits of this in terms of improved fit between role and reward will become apparent in the course of the next few years. We shall ensure that our promotion policies focus on rewarding staff who take on additional responsibilities and who have demonstrated innovative contributions to the work of the university (Greenwich, n.d.:25)

Yet others specify monitoring and target-setting:

> All full-time academic staff in all faculties will demonstrate annually how their research and scholarly activity time (a minimum of 150 hours, including consultancy or other forms of scholarship) flows into their teaching ... Lecturers will plan and account for research and scholarly activity time ... Managers will ensure that this is explored fully in workflow planning, appraisal and performance review. Consideration of research, consultancy and scholarship activity and the way it is used to refresh the curriculum will be embedded into revised performance reviews for staff (Leeds Metropolitan, 2004: 22)

The details are telling, and reflect the reality of competitive pressure and the consequent imposition of incentive. Liverpool's plan, for example is:

> To support the ambitious programme of capital/human resource investment ensuring that this is underpinned through the development of a flexible benefits package which will enhance the scope of recruitment and retention. This objective will include supporting and implementing a 'Golden Hello' scheme in areas where there are recruitment difficulties (Liverpool, n.d.:12)

Following this line of development further, Manchester's ambitious plan takes on a somewhat single-minded aspect, and the probable effect on the curriculum is apparent:

> The University will only appoint people who are at or have the potential to reach the international first rank, choosing always to leave positions unfilled rather than breach this principle ... This strategic imperative is likely to drive major strategic shifts of resources to Faculties and Schools securing such virtuoso scholars and establishing such concentrations of research excellence. (Manchester, n.d.:7)

The image suggested here is that of the 'comb with broken teeth' – a mixture of gaps and peaks. This will undoubtedly apply to the taught curriculum as well as what is researched, given both the logic of the passage above and the fact that Manchester's plan emphasises the synergy between what is researched and what is taught.

Exeter's plan provides a reminder of a possible converse side of PRP:

> Promoting a high-performance - high-reward culture in which all relevant forms of excellence are recognised and rewarded in a bias-free way ...Strengthen the link between performance and reward ... have in place clear procedures for the effective management of under performance in all parts of the institution (Exeter, n.d.: 16)

Such 'clear procedures' might consist of voluntary redundancy (VR) schemes, as already noted in respect of Exeter, and mentioned in two more of the strategic plans:

> To ... ensure that human resource matters are considered as part of all Institutional planning particularly in respect of any restructuring and realignment of the organisation and the effective utilisation of the voluntary disengagement scheme (Liverpool, n.d.: 12)
>
> facilitating, through voluntary severance, the departure of teaching staff and the recruitment, wherever possible, of academic staff (Bournemouth, 2006: 8)

There is an implicit tension in many of the strategic plans between such passages which betray a highly instrumental attitude towards academic staff and those which recognise that the academics are a major asset, such as this idealistic flight of aspiration from Manchester:

> Premier international universities are destinations of preference for many of the best students, teachers, scholars and researchers in the world. They are exemplary employers, placing great value on supporting, developing and rewarding their staff. They provide students with a superb learning experience, support excellence in teaching and provide researchers with state-of-the-art research facilities and efficient, effective administrative, financial and technical support. They are iconic institutions (Manchester, n.d.: 4)

Some of the 'rewarding' of staff is elaborated elsewhere in much baser remunerative terms, and takes us back to the omnipresent theme of knowledge transfer, as the university: 'rewards and provides practical support to staff who engage in commercially significant innovation and/or create intellectual property' (Manchester, n.d.: .3).

Finally, perhaps reflecting the managerialist style of many of these plans, 40% of them highlight the offer of training in management and leadership for academic staff (sub-theme 9.2).

Chart 9: Human Resource

	9.1 Incentives / PRP	9.2 Managt / Leadership Training	9.3 Review Academic Roles	9.4 Diversify Academic Roles	9.5 Workload Re-balance	9.6 Voluntary Redundancy
Leeds	●	●			●	
Liverpool	●	●				●
Manchester	●	●				
Newcastle						
Oxford	●				●	
Southampton	●	●				
Bath		●				
Durham						
Essex	●		●	●		
Exeter	●					●
Leicester	●	●				
Sussex						
York						
Bournemouth						●
Bradford	●					
Brighton	●					
Coventry						
Greenwich	●	●				
Leeds Metro		●			●	
Middlesex	●		●			
% of Plans	65	40	10	5	15	15

The ubiquitous theme of **regional engagement** features in all of the 1994 Group plans and in two-thirds or more of the Russell and UA / million+ Groups' plans. It is expressed in terms of 'good neighbourliness' (enriching the local community and region economically, culturally, and in social capital) and forming valuable collaborations with local businesses, these being a potential source of consultancy income, IPR development, or collaborative research. Such university regional engagement through the Regional Development Authorities was a key New Labour policy. These aspects have been expressed in Chart 6, but less obviously economic dimensions such as community involvement and voluntary work by staff and students are endorsed by most of the strategic plans and shown in Chart 10.

Chart 10: Community Engagement

	10 Community Engagement
Leeds	
Liverpool	●
Manchester	●
Newcastle	●
Oxford	
Southampton	
Bath	
Durham	●
Essex	●
Exeter	●
Leicester	●
Sussex	
York	●
Bournemouth	
Bradford	●
Brighton	●
Coventry	
Greenwich	●
Leeds Metro	●
Middlesex	●
% of Plans	65

5.3 Mapping and Interpretation

This is the final stage of Ritchie & Spencer's 'Framework' method (1994).

5.3.1 General

Growth (theme 3) proved to be the common feature of all of the plans, although only one of the growth areas, 'Knowledge Transfer' in sub-theme 3.7 was universally shared by all twenty strategic plans. Recruitment of international students came a close second to Knowledge Transfer, being targeted in 80% of the plans, as did forming Regional Partnerships, also exhibited by 80% of the plans.

Overall it is noticeable that there is less a distinction between all three groups than there is a consistent differentiation between the Russell Group and the other two. The 1994 and UA / million+ groups are often not very different to each other in many strategic aims. The impression is that the 1994 Group is to an extent planning to 'catch up' with the Russell Group on measures such as research and teaching quality, and to generally improve its performance financially. So a continuum can be identified within the dimensions both of research and of teaching, with the Russell Group at one end, and the UA / million+ at the other end, with the 1994 Group perhaps not so far from the UA / million+ Group in the teaching dimension with a generally more flexible attitude towards what is taught, but being rather closer to the Russell Group in the research dimension, with a similar emphasis on its importance and quality, if not quite matching the quantity of the Russell Group's research.

5.3.2 Teaching Dimension

In the teaching dimension quality is especially emphasised by the Russell Group, and much less so by the UA / million+ Group as the Figure 5.1 below indicates. Indeed in the UA / million+ Group only Bradford's plan highlights teaching quality.

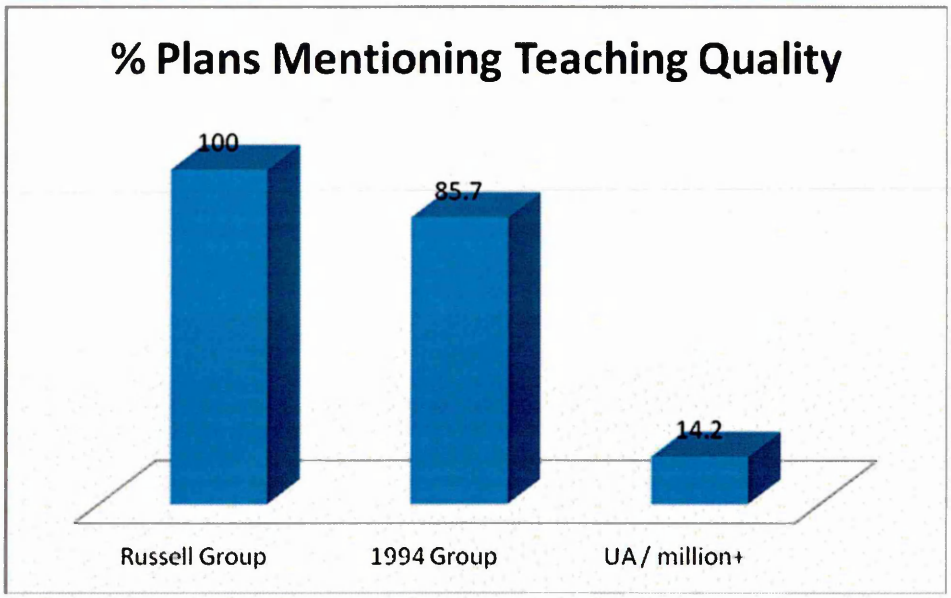

Figure 5.1

Further, the Russell Group plans emphasise traditional academic subjects, the UA / million+ Group tend towards more vocational subjects, and the plans of the 1994 Group are often more in step with the less traditional emphases of the UA / million+ Group plans. In the Russell Group only Newcastle's plan mentions teaching vocational subjects:

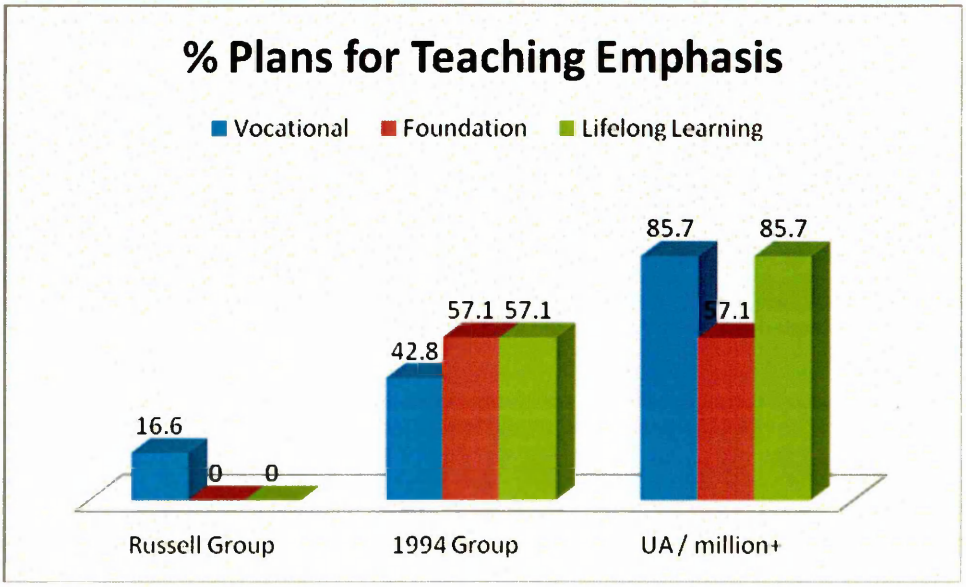

Figure 5.2

Consistent with this a more flexible or innovative approach to the taught curriculum by the 1994 and UA / million+ groups is demonstrated in the next two figures, 5.3 and 5.4:

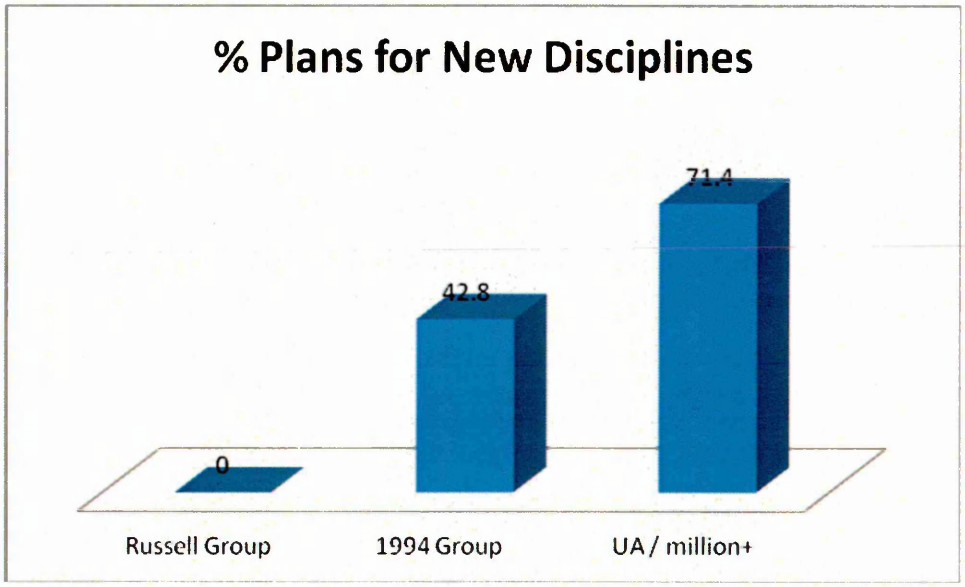

Figure 5.3

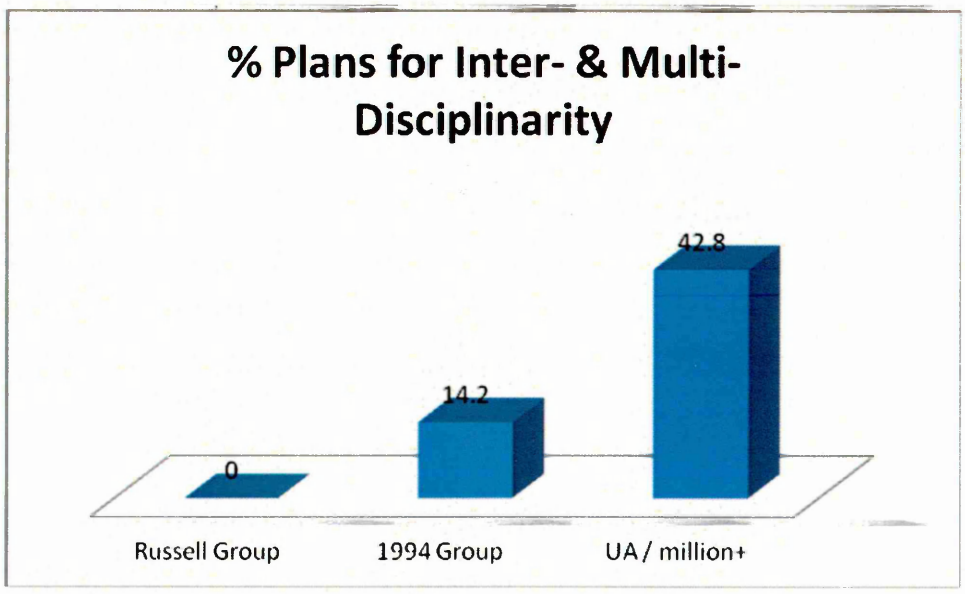

Figure 5.4

The picture becomes less starkly differentiated when financial considerations are brought into view for the taught curriculum. It seems that income is a pressing issue for all of the universities in the sample group, although some distinctions are still apparent. It is noteworthy that the UA / million+ Group's plans much more frequently express greater flexibility and willingness to dispense with financially problematical areas of the taught curriculum. On the other hand, even the Russell Group plans show concern for the curriculum that is to be developed or supported to be financially viable – see Figure 5.5. In the 1994 Group here only Sussex' plan, representing 14.2% of the plans sampled, expresses an intention to withdraw from subjects with low student demand:

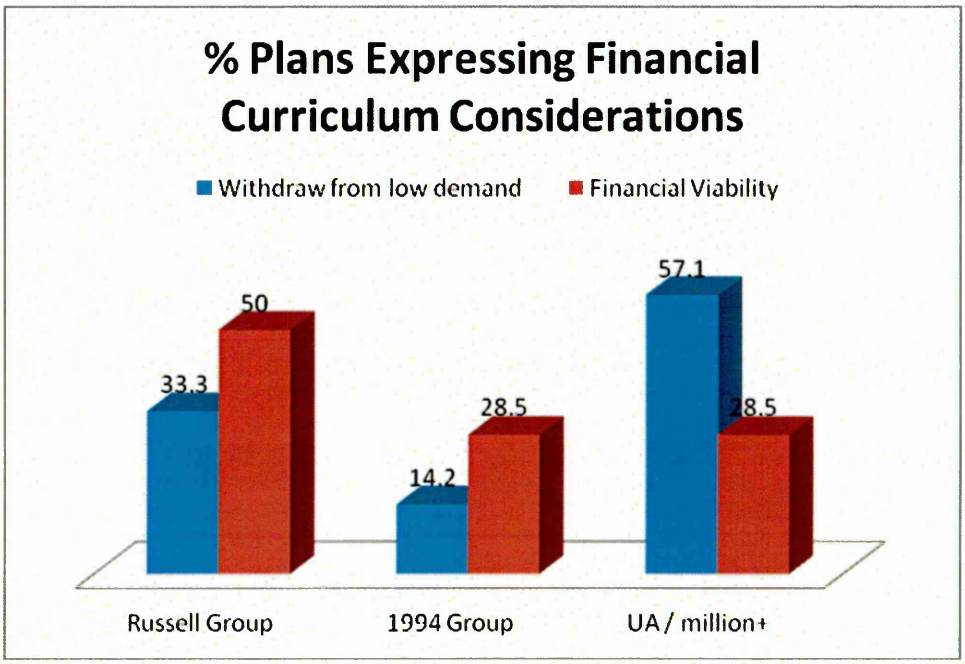

Figure 5.5

5.3.3 Research Dimension

The high quality of research in the Russell Group and to a lesser extent the smaller research-led 1994 Group universities is reflected in Figure 5.6 below, for 'quality research' funding. Note that none of the post-1992 universities figure here. In the 1994 Group only Leicester's plan targets QR funding, and in the UA / million+ Group only Bradford's plan does so:

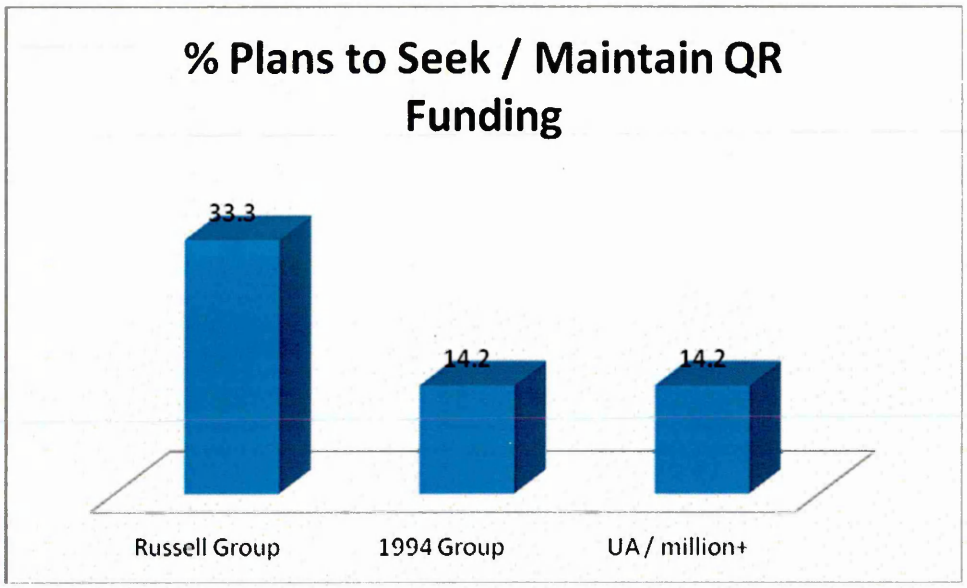

Figure 5.6

The Russell Group's plans carry a much greater emphasis on the growth of pure research rather than on applied research, whereas the UA / million+ Group's plan much more frequently target growth in applied research. In the UA / million+ Group only Middlesex' plan mentions pure research:

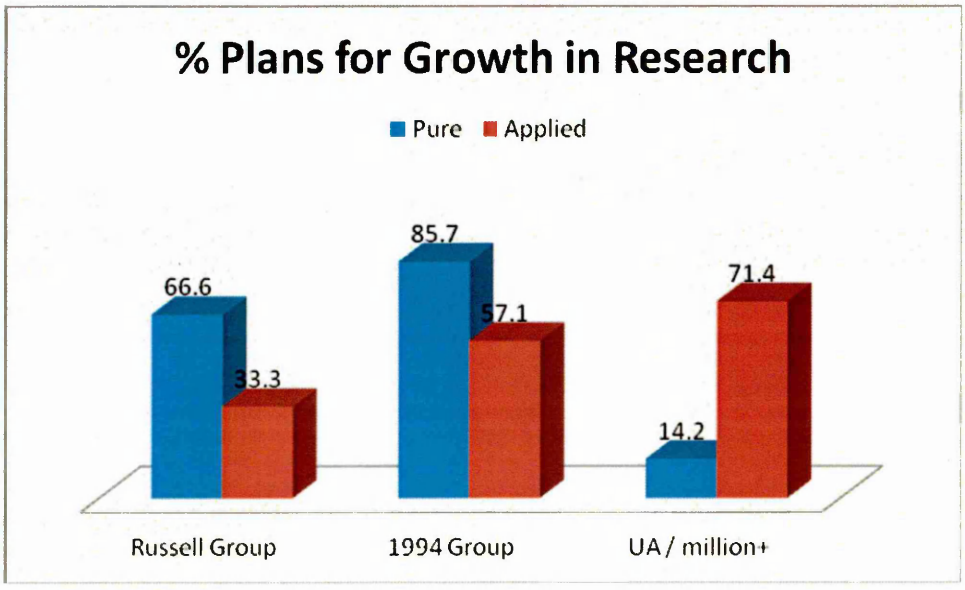

Figure 5.7

Finally, the fully-fledged dominance of research activity by the Russell Group is expressed in Figure 5.8. With so many academic staff in this group already

research active, there appears to be little need for the Russell Group plans to call for an increase, with only Leed's plan diverging from this picture:

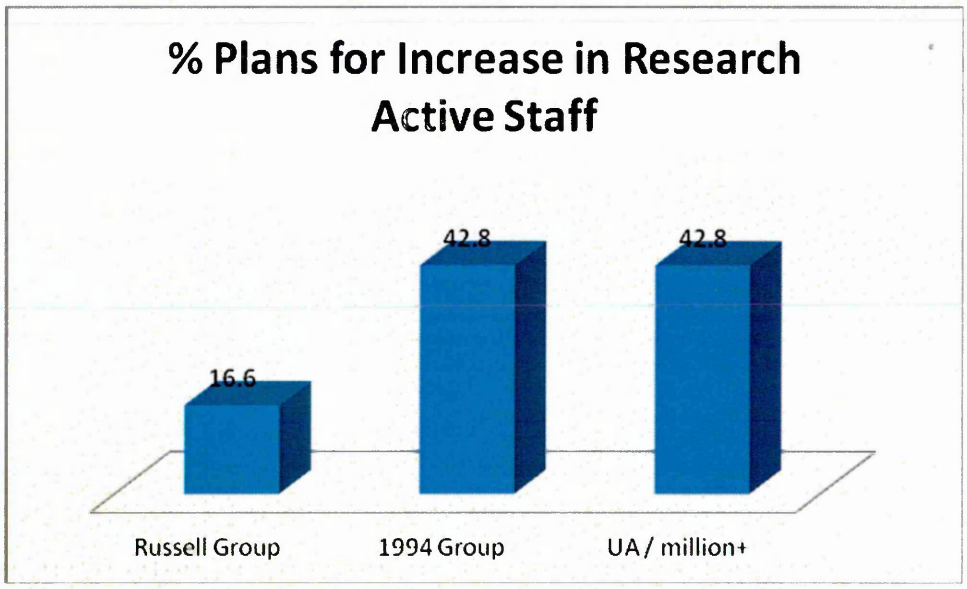

Figure 5.8

Part of the Russell Group's claim to high quality teaching stems from the influence of its high-quality research effort, although interestingly the 1994 Group plans lay a greater claim to this effect, as Figure 5.9 demonstrates:

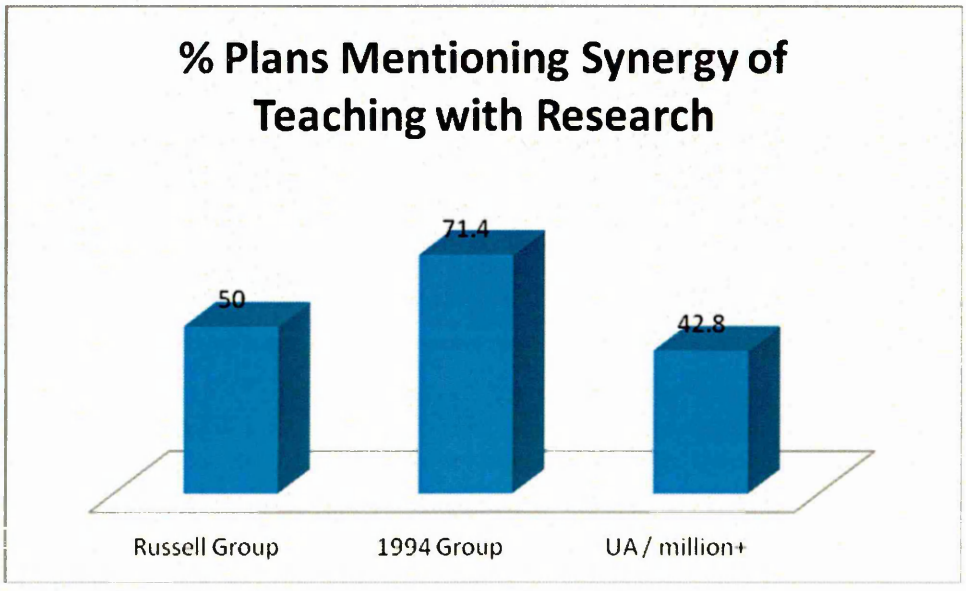

Figure 5.9

The relative lack of interest expressed by the Russell Group plans in undergraduate growth reflects the high importance accorded by this group to growing research and the relatively saturated admission of undergraduate students into study within its traditional curriculum. In this group only Newcastle plans to grow undergraduate numbers:

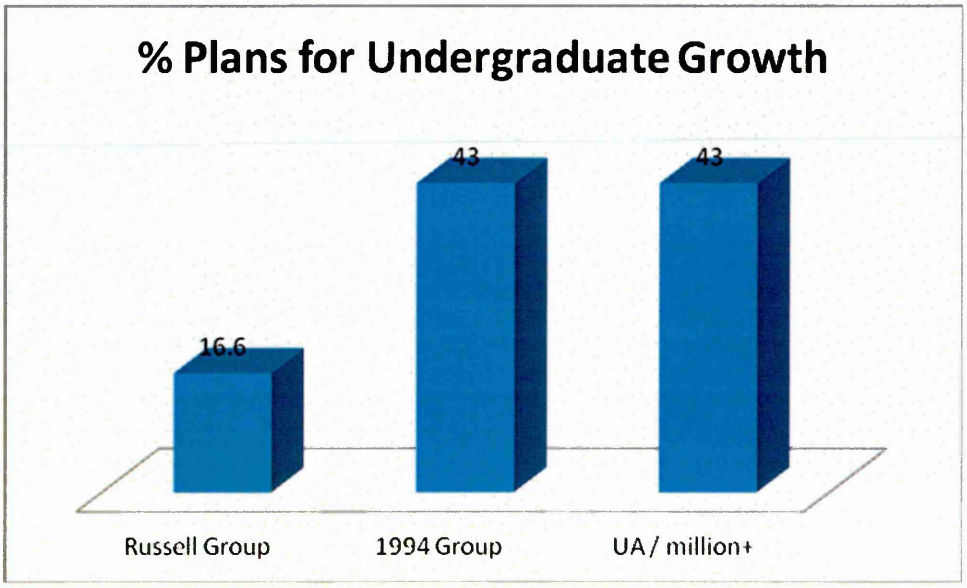

Figure 5.10

5.3.4 Unique Selling Points

The USPs are comparatively diverse with the exception of employability, which features in 65% of the plans, with the following sectoral distinctions:

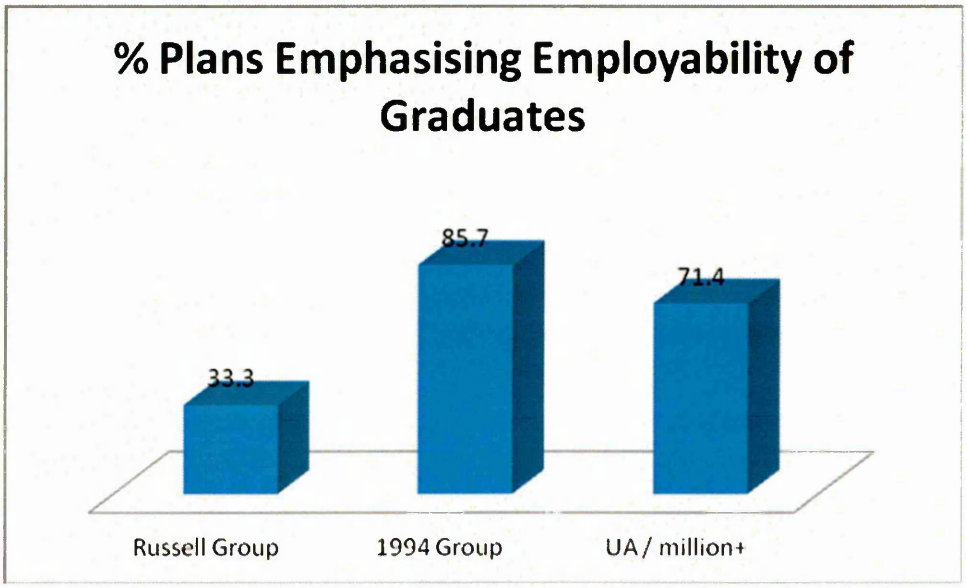

Figure 5.11

Possibly the relative low mention of graduate employability in the Russell Group member's plans can be explained by the presumption a high quality reputation, with its strong implication of employability. Two-thirds of the Russell Groups' plans contain the aim to guard and enhance either their participation in the formation of an élite – the future leaders of government and business – or their high status and reputation. These matters of prestige are summarised in Figure 5.12. In the Russell Group's plans the sole example emphasising the élite nature or leadership potential of its graduates is Leeds:

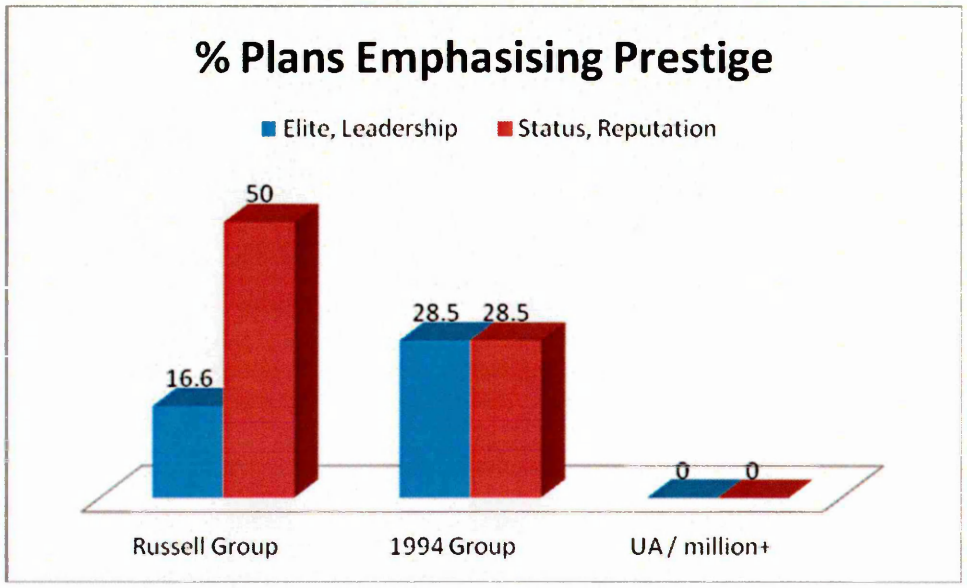

Figure 5.12

After this general analysis of the findings a summary of each of the three groups in turn follows.

5.3.5 The 1994 Group

The members of the1994 Group represent an interesting intermediate category between the newer universities and the longer-established high-status Russell Group universities. It may be that their small size and their willingness to innovate will enable the universities belonging to the 1994 Group to be agile and flexible in their operations in order to keep diverse income streams flowing, and to make use of teaching and research opportunities, yet their generally high quality across the dimensions of both teaching and research will add to their

ability to thrive and compete with the Russell Group. A quotation from York's plan captures this position concisely:

> To expand both in terms of student numbers and research income while retaining a focus on high standards, responding appropriately and flexible to new opportunities while retaining the current benefits of a relatively small size of institution (York, 2005: 5).

The 'opportunistic' attitude is also expressed by another member of this group – Exeter – whose plan seeks to create:

> an entrepreneurial organization capable of responding quickly to changes in the external environment and of seizing opportunities as they arise (Exeter, n.d.: 16)

The 1994 Group's plans often express an aim to improve their financial performance, and the relatively small size of universities in this group enhances their ability to quickly introduce changes that can help to accomplish this. One measure of this aim is the desire to achieve a financial surplus. This seems to be of less concern to the Russell Group universities, possibly because they regularly achieve surpluses or because they feel their finances already reflect their secure and stable standing. Figure 5.13 illustrates this, with only Liverpool in the Russell Group differing from the rest of the sample:

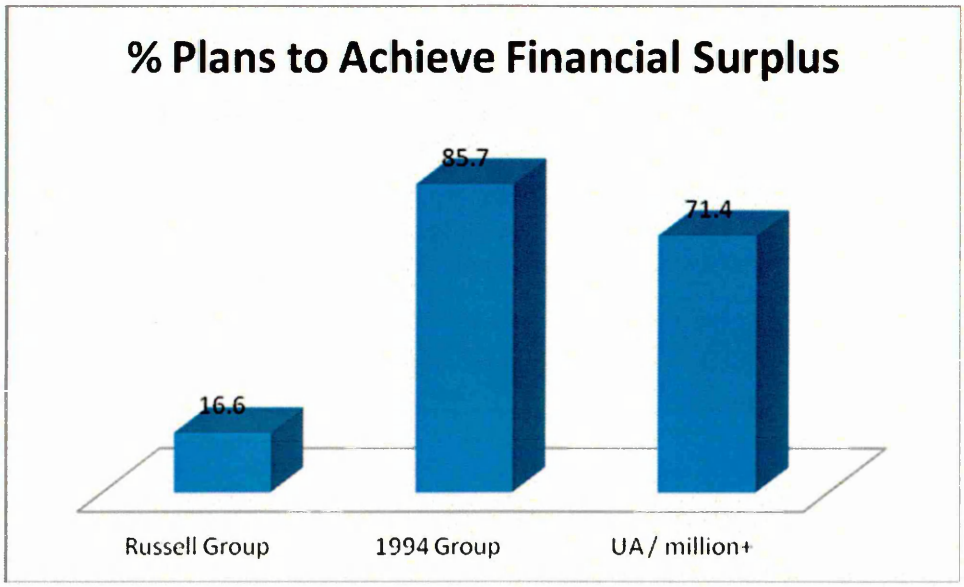

Figure 5.13

In respect of 'catch up' in the research dimension, it is worth quoting Essex' strategic plan:

> [to be] Ranking in the top 10 for research quality as demonstrated by ... the 2008 Research Assessment Exercise ... Growth in ... academic staff undertaking teaching and research holding a research grant from 34% to 50% ... Increase in research grant and contract income of at least 5% per annum (Essex, 2007: 7-8)

Many of these universities seemingly intend to 'punch above their weight'. The plans of both Bath and York express the need for the relatively small universities in the 1994 Group to achieve 'critical mass', with Bath planning to 'expand teaching, research, and knowledge transfer activities to provide the critical mass necessary to create impact at an international level' (Bath, 2006: 2) and York echoing this aim, noting that 'Growth will deliver critical mass ... and enable operational economies of scale' (York, 2005: 8). Yet York's plan records that previous expansion 'has all been done while keeping lines of communication short ... [an] attribute[s] that the University wishes to retain as it expands in the future' (York, 2005: 8). Presumably this relatively shallow hierarchy and the comparatively small size of the 1994 Group members will enhance their quick and flexible response to new opportunities.

5.3.6 The Russell Group

Members of the Russell Group, on this analysis, always plan to maintain their traditional orientation. Their plans evince:

- Little or no tendency for curriculum innovation;
- A much greater emphasis on pure research than on applied;
- An emphasis on the high quality of their teaching;
- Minimal or no emphasis on vocational and sub-degree teaching;
- Little attempt to grow either their undergraduate numbers or their research active staff;
- Comparatively little emphasis on achieving a financial surplus.

Perhaps there is less emphasis on vocational degrees for the Russell Group since the established professions such as medicine, dentistry, veterinary

science, law, and to some extent social work and teacher education are already commonly represented.

The 1994 Group average slightly more than five proposed areas for growth, for instance – 5.28 – whereas the Russell Groups' plans mention fractionally more than four. The UA / million+ Group plans identify on average 3.85 new areas for growth.

5.3.7 The UA / million+ Groups

Compared with the Russell Group's plans, the UA / million+ Groups' plans encapsulate a much greater tendency for flexibility in the curriculum. This group's plans are heavily shaped by a pragmatic response to financial imperatives rather than reliance on traditional academic subjects. There is usually an intent to achieve a financial surplus as evident in Table 5.13, usually a willingness to introduce new areas of the curriculum – shown in Tables 5.3 and 5.4 – and an almost as frequently expressed willingness to close down academic fields that are not performing well academically or financially – see Table 5.5. Their research is almost exclusively concentrated on the applied domain. The plans of this group feature no new science parks – presumably a reflection of weaker research base and concomitantly lower levels of funding for such capital projects. These plans demonstrate:

- Willingness to engage with teaching that is often vocationally oriented;
- Willingness to generate income from a variety of teaching activities, often at sub-degree level.

Probably these two aspects are due to the polytechnic ancestry of the post-1992 universities, an ancestry that usually contained a more vocational and often sub-degree curriculum. A representative quotation to sum up the emphasis of this group would be from Middlesex' plan:

> Strong emphasis on the vocational relevance of developing research, scholarship and professional practice to business and public sector organisations (Middlesex, 2005: 7)

It is also worth noting that these groups' curricular flexibility is within a relatively narrow range – their plans average the smallest number of dimensions for possible growth out of the three groups, eschewing pure research apart from Middlesex, the NHS apart from Bournemouth, and 'critical mass' growth possibilities entirely; they are already large universities, in the main.

A final point concerning these groups' relative flexibility concerns their size, which in the sample group ranges from just under 18,000 FTE students in the post-1992 members up to 39,000. This corresponds closely to the size range of the Russell Group universities in the sample. As has just been argued above, the Russell Group members remain relatively traditional and unchanging in their taught curriculum, whilst the much smaller institutions of the 1994 Group appear quite agile. Perhaps the larger UA / million+ group members are able to respond flexibly to changes in their market despite their size because of their concentration on teaching in-demand vocational subjects, and, unlike the Russell and 1994 groups, their relatively weaker focus on research. Or rather, where the UA / million+ Group members do perform research, it also is less tied to traditional pure investigation and corresponds more closely to applied, vocational, more topical areas of the curriculum.

5.4 Summary

This chapter has discussed the application of the 'Framework' method to the data and some findings. Although similarities have been found in the strategic plans, some differences have surfaced. In the next chapter the implications of these findings are developed, particularly in relation to business models and the consequences for the curriculum.

Chapter 6 – Discussion

The data analysed in the preceding chapter confirms the picture that many authors have already drawn of the 'business-like' character of universities. The hunt for income consequent upon the reductions in public spending that have gathered pace since the mid-1970s; an increased marketisation and the consequent stratification and inter-university competition with the accompanying paraphernalia of league tables, research quality assessment and other 'status' indicators (Lucas, 2006); the widespread use of managerialist technologies such target-setting, KPIs with monitoring, and budgetary devolution towards 'cost centres'; the highly instrumental re-definition of academic roles and incentives – these all conjoin to paint the picture of an increased 'business' orientation in the operation of universities (Shore & Selwyn, 1998). Indeed, although the higher education quasi-market is regulated, as are many markets, so far has this process gone that, as was noted in Chapter Three, by 2007 the relevant government minister could remark that "technically universities aren't part of the public sector". Certainly by September 2010 HEFCE was able to confirm that its subventions constituted less than 40% of universities' total income (HEFCE, 2010).

If then universities are being increasingly run as businesses, what business models does the analysis of twenty strategic documents in previous chapters suggest might be in use? A key aspect of this chapter is to answer this question, to discern what kind of 'business' universities in England now pursue.

6.1 The Business Model Concept Revisited

To begin the identification of business models it might be as well to recapitulate the common features, before proceeding to identify any variations, based upon the analysis of the data in Chapter Five.

The key dimensions of a business model were discussed in Chapter Three. The rationale for how an organisation makes money can be expressed in terms of (1) a customer value proposition (CVP), (2) a profit formula, (3) key resources required, and (4) key processes. To identify the CVP crucially one also has to identify the customers and their expectations. This point will be developed

shortly. The profit formula can also usefully be decomposed into lower level details, also to be developed shortly. The other two dimensions of the business model are of less interest for the purposes of this study and will be dealt with as the relevant themes appear in the analysis as this chapter progresses. In the case of higher education they will have a high degree of commonality, that is, the different values contained within such parameters might vary a little, but the parameters themselves will be constrained to have a common structure. For example, a key resource required by a university is its staff, typically accounting for 60% of its costs. In England the bulk of academic staff are on a nationally agreed and common pay settlement – there is little room for variation. Another major resource is that of estate, but apart from capital projects for the most part this already exists and is already paid for. Any local variations will be noted as the analysis proceeds. Similarly for their key processes most universities 'look' much the same – they perform teaching, they carry out research, they provide expert advice – this last activity being usually classified as consultancy or knowledge transfer, depending upon its scale. Teaching, and to an extent research, are processes with parameters determined externally by bodies such as the QAA and the research councils, with rules for costing and financial control. For performing these three major functions universities receive funding, either from a government source or from a customer. The 'customer' may be a student or it may be an external organisation in the role of customer, which takes us back to the more significant aspects of the CVP and who the customers are.

6.1.1 The Customer Value Proposition

Despite the differentiation within higher education – the 'marked hierarchy of higher education institutions' as Taylor & Steele put it (2011: 138) – there are many points in common. As seen in Chapter Five, the strategic plans – all of them in this survey – reflect a strong pressure to grow income, from a variety of sources, in order to replace the lost state funding. Most strikingly, all of the plans aim to generate revenues from Knowledge Transfer – that is, applied research and development, consultancy, and the like. Presumably this represents a straightforward and potentially quick gain for most universities.

Partnerships with other institutions and businesses, especially at regional level, as featured in 80% of the plans, represent a popular way of finding synergies and spreading costs and risks. Moreover some of these partnerships have also been indirectly supported by government funding via bodies such as regional development agencies. Only the plan of Oxford University does not envisage any kind of partnership.

Full economic cost recovery is possible from overseas students, and not surprisingly 80% of the plans target this for growth in this unregulated market. All further strategic factors appear at levels of frequency lower than 80%, as can be seen from as Charts 1 – 10, and from this level and below differences start to emerge between the three groups of universities, as summarised in figures 5.1 - 5.13. These differences will be dealt with next.

Upon studying the twenty corporate plans and presenting that analysis in Chapter Five it becomes apparent that, whilst English universities do share many common aspects they are by no means identical to each other. One significant difference is that they serve different 'customers'. For example, although only 7-8% of school pupils are educated in the private sector, such schools provide 45% - 50% of the intake to Oxford, Cambridge, and other Russell Group universities (Taylor & Steele, 2011). This kind of differentiation – scarcely changed from Nineteenth Century Oxbridge proportions – is why the non-profit 'funding models' proposed by Foster *et al* (2009) and introduced in Chapter Three require some further analysis and qualification. In their effort to clarify the revenue models in non-profit organisations Foster *et al* have made a simplification; for their analysis they have presumed that all beneficiaries of a given non-profit organisation are identical. To use one of their examples: they presume that all patients requiring charitable support for kidney dialysis are, from a fundraising point-of-view, equal, and this is indeed a reasonable assumption. However, in the UK higher education system the 'beneficiaries' of university services are much more like customers than recipients of a uniform charitable service – indeed government pronouncements have referred to them thus, as was seen in Chapter Two (DFES: 2003). Tellingly, the same 2003 White Paper states:

> different courses and universities bring different benefits to graduates, and we think that it is right both that universities should get differential benefits, and that graduates should make differential contributions to reflect that (DFES, 2003: 20

The post-Dearing introduction of fees and the charging – where possible – of full-cost fees helps to reinforce this (Watson & Bowden, 2007). Such 'customerisation' of students is yet another problematical factor in the changing ethos of higher education (Cuthbert, 2010; Love, 2008). It is increasingly commonplace to envisage these competing universities as having 'customers', a phenomenon formalised in part by the logic of league tables which purport to assess and compare the 'value' of the education and other services provided by universities (Rustin, 1998). Such league tables are supposed to fuel the 'choice' of prospective 'consumers' amongst such institutions. The 'customerisation' of university services can be vividly illustrated by quotations from two of the corporate plans: Firstly Leeds' plan discusses 'provision of effective and efficient customer focused services in all aspects of our work (internally and externally)' (Leeds, 2006: 6). This includes all activities performed by academic staff, and accords with the proposals in several plans for streamlining student services and enhancing 'the student experience'. Secondly Exeter's plan makes the consequences of 'customerisation' clear:

> In the post-fees environment, students seeking to attend a top 20 university will rightly expect their learning and teaching experience to be of the highest quality. The University will provide access to appropriate training and development opportunities to staff at all levels, ensuring that they are equipped with the range of skills and experience needed to satisfy our most demanding customers (Exeter, n.d.: 15)

Collini (2003) remarks on the diverse range of activities that universities perform. Alongside this visible dimension, there is strongly evident in the strategic plans a collection of intangibles that might be broadly be gathered under the umbrella of 'status'. Such matters as reputation, a university's possession of an ancient history, its participation in the formation of an élite, the pursuance of world-leading research, the presence of, as Manchester has it, 'virtuoso' and 'iconic' scholars and the aura of a Nobel Laureate … As with 'the hidden curriculum' all such factors might be taken to represent added value beyond the prosaic routine realities of issues such as staff: student ratios and

the level of provision of library and laboratory facilities. This intangible matter of prestige is also something that customers of the university purchase. Whilst the matter of intangibles might be, as Teece argues, 'at best, an afterthought' in economic theory which tends to assume tangible products, he goes on to assert that in the 'real world ... Intangible products are in fact ubiquitous' (2010: 175).

6.1.2 The Profit Formula

The profit formula – price x volume on one side, costs on the other – can vary significantly from university to university, and from discipline to discipline. A rather lengthy quotation in the case of Oxford sharply illuminates this:

> the annual cost to the Collegiate University of each non-medical undergraduate ranges from £12,600 to £14,600 (undergraduates reading medicine are significantly more expensive). Comparable figures for the costs of non-medical PGT students range from £9,500 to £12,000. The costs of PGR provision vary depending on the precise nature of the research being undertaken, and the facilities required, but the TRAC analysis suggests that *core* costs are between £7.5-9K. Income to Oxford for publicly funded undergraduate students and PGT students in these non-medical subjects ranges between £5,600 and £7,600, which means that the annual loss per student is running at about £7-8K ...
>
> The introduction of 'top-up' fees and the associated bursary system will reduce the annual loss per Home/EU undergraduate student only by about £1,000 ...
>
> Under these circumstances, growing student numbers whilst maintaining a commitment to the quality of the student experience would lead to unsustainable losses (Oxford, 2005: 8-9)

This reasoning explains in part the drive, exhibited by all of the other universities in this study, to find non-HEFCE income, diversify their income streams, and promote knowledge transfer activity rather than simply increasing student numbers. Added to the variation in costs across different subject areas is the more favourable funding position of the Russell Group members generally, as they retain their 'lion's share of research funding' (Taylor & Steele, 2011: 139). Furthermore there are variations within this group. Taylor & Steele remark that Oxford and Cambridge, 'which claim to recruit the "brightest and the best" – and the most privileged – actually receive a *higher* unit of resource per

student because of the college system' (*ibid.*: 156). Income from benefaction also varies greatly across the range of higher education institutions.

6.2 Business Models Refined

Given the foregoing arguments about differentiation within higher education, it becomes clearer that the 'funding models' proposed by Foster *et al* (2009) tell only part of the story. Their first two funding models provisionally identified in Chapter Three, namely Public Provider and Policy Innovator describe, respectively, the derivation of revenue from the government-funded teaching activity of universities and the government-funded applied research or consultancy activities that universities perform. This covers only the revenue-generating dimension, and is not the full story. Therefore these two models will not be discussed further. The third funding model, Beneficiary Builder, does adequately describe the fundraising operations that universities carry out in reflection of their charitable status. Typically these consist of universities soliciting their alumni for donations. Chart 2 shows that 65% of the sample plans address fundraising activity. However this funding model, like the other two, omits the 'customer' side of the operation and this is not satisfactory.

In order to display a fuller picture, the idea of a complete business model rather than just the fundraising model is required in order to describe the three common primary activities of teaching, research, and knowledge transfer. Seven business models were tentatively identified in Chapter Three as being relevant to university activity. The first of these, Customer Solutions, fits with the idea of universities supplying expertise that will improve the customer's operations. In the higher education context such activity is usually called consultancy. The second business model, Fee for Service, might in the university context describe pay-as-you-go modular teaching or possibly a phased programme of research, or items of consultancy. A third model, the Entrepreneurial Model, would correspond to university activities around research and development so far as prototype or 'technology demonstrator' stage, but no further, and is readily identifiable in English universities (Bissett, 2009).

The next two business models – Blockbuster and Time – could work for both teaching and research. Blockbuster is a high-investment / high profit model, and its achievements would be desired by many universities, perhaps in terms of a unique taught course or discipline field, or as a world-leading line of research. An example of the former might be the renowned Politics, Philosophy and Economics degree at Oxford. The Time Model would correspond to an innovative 'product', either in the curriculum or in a useful, world-beating, invention or other application of science and technology. However, no university in England appears to be reliant on the thoroughgoing application of these two models

The last two of the potential business models identified in Chapter Three, the Profit Pyramid Model and the Efficiency Model, can both correspond to the teaching that universities perform. In the first an ascending line of products or services can be offered, each representing a greater profitability than the previous level. In the higher education teaching context this would correspond to the sequence sub-degree, degree, postgraduate. This is reflected in the 2003 White Paper which proposes that 'foundation degrees from part of a coherent ladder of progression, which gives students choice about their next steps' (DFES, 2003: 44). The greater profitability may not necessarily be high except in the case of overseas students and postgraduate students where it is sharply differentiated due to FEC. This qualification of the Profit Pyramid Model implies that it is not a strong candidate as a unique, distinct, model in its own right. The Efficiency Model might correspond to the 'mass higher education' of the early twenty-first century, where more students than ever are being taught in English universities with a greatly diminished unit of resource. Wheelen & Hunger defined this model as 'low-cost, low-margin, high-volume' (2010: 190). This could well be the main operating model for the post-1992 universities that comprise the bulk of the UA / million+ grouping in this study. In the growth from an 'élite' to a 'mass' higher education system and where the unit of resource per student fell by 35% in real terms between 1990 and 2002 (Taylor & Steele, 2011) this does seem entirely possible.

When applied in the higher education context, a further amount of refinement and simplification amongst these seven models is possible. Firstly, Fee for

Service can be seen simply as a slight variation, a pay-as-you-go scheme for services, not a fundamental variation on the underlying business. Modular teaching might encourage the use of this scheme, especially in the delivery of teaching via a VLE. Pursuing this thought, Chart Five shows 70% of plans encompassing a VLE, and 60% advocating flexible delivery modes, both of which imply a degree of modularity. There is also a reasonable correspondence between these two factors, with more than 57% of plans offering a VLE also offering flexible delivery.

Next, both the Blockbuster and the Time Models can be seen as special cases of simpler business models for delivering teaching and research. Most universities would desire their products or services to emerge as in either of these categories, but these categories are not fundamental to building university revenue streams – they are merely two exceptionally successful forms, and may be subsumed within the remaining three models. These are:

- Efficiency Model (teaching);
- The Customer Solutions model (consultancy)
- Entrepreneurial Model (research and development).

The Customer Solutions model for consultancy and the Entrepreneurial model for R & D can be seen as restrictive instances of the more general category of knowledge transfer activity, but they can be retained for now as likely to express accurate nuances when university activity is considered.

None of these business models, however, justly describe the high-value, high-status activities that are delivered at the leading universities such as, in this survey, Oxford and the other five Russell Group members. In all three modes of service – teaching, research, and knowledge transfer – very high standards accompanied by considerable intangible 'value' are both present. This sector has considerable global 'cachet'. The revenues generated may not be as high as some of those on the world scale within which they compete, but in the quality of 'product' they are difficult to surpass. Their reputation will be equivalent to a high-status brand or marque such as 'Rolls-Royce'. A suitable name for this business model would be 'Prestige'.

Similarly, none of the business models so far proposed successfully capture the teaching dimension of the 1994 Group members. It will be recalled that, at the end of Chapter Five, these smaller, research-led universities were identified as being similar in quality but not in volume to the Russell Group in the research dimension, but closer to the UA / million+ Group in their flexible and market-oriented approach to teaching. The 1994 Group are able to respond quickly, even opportunistically, to new circumstances in their environment mainly due to their relatively small size. Their teaching is claimed to be of good quality, and 71.4% of the sample plans for this group emphasise that their teaching is informed by their high-quality research. A business model that this picture suggests might be called 'The Precision Model'. Here good revenue is achieved from lower volume but high quality and often unique products and services, closely tailored to the customer's needs. Swiss precision engineering is one analogy, with its ability to quickly re-tool and deliver high-value specialist items; another might be the unique and definitively 'high-end' financial services offered in that country. This idea corresponds to Johnson *et al*'s proposition, discussed in Chapter Three, of a business model that offers a CVP closely tailored to the customer's needs.

Lastly, the research activity carried out in the UA / million+ Group must be addressed. This research work is much less extensive than for the other two groups, especially when considered in relation to the mainly large size of the institutions making up this sector, although there is a small population of high-quality niche activities – 'centres of excellence' is the usual term – that are promoted in a necessarily very selective way. These few pockets of high quality work can match the level achieved by much of the Russell Group's research. However, the research of the UA / million+ Groups, where performed, is mostly applied rather than pure as the plans analysed in Chapter Five reflected. Often this work shades over into highly applied 'research and development' work that could be equally categorised as knowledge transfer. Therefore it seems reasonable to identify the same business models in the 'Research' dimension for the UA / million+ Group as that in the 'Knowledge Transfer' dimension.

After analysing and summarising the data in Chapter Five, the following identification of business models is suggested (Table 6.1, below). Notice that it

has been difficult to assign a single model across all of the activities of all three groups of universities apart from the case of the Russell Group.

	Teaching	Research	Knowledge Transfer
Russell Group	Prestige	Prestige	Prestige
1994 Group	Precision	Prestige	Prestige
UA / million+	Efficiency	Customer Solutions / Entrepreneurial	Customer Solutions / Entrepreneurial

Table 6.1: Business Models identified

6.3 Some Negative Consequences Implied by the Business Models

As was discussed in Chapter Three, the business model is not the ultimate determinant of what happens in a university – for this study it is primarily a useful construct with which to describe the pattern of operation. The business model is a reflection of strategy, and in higher education that strategy is heavily shaped by the parameters of government policy. However a business model can be more than an expression of strategy if it is consciously recognised and actively embraced by those personnel who are in a position to influence the strategic direction and also the tactical workings of the organisation (Casadesus-Masanell & Ricart, 2010). A conscious awareness of the business model does not yet seem to form part of the landscape of higher education management – certainly no evidence of a conscious understanding of business models has been found in the literature – so this discussion will guardedly treat the business model concept as a descriptor rather than as a driver. Nonetheless even if not explicitly recognised it can, as Magretta (2002) argues, be a compelling 'story' that exerts an influence on the workforce.

6.3.1 The Taught Curriculum

If the operations of universities are to be so heavily driven by the need to chase revenue in a competitive market environment it seems inevitable that there will be an impact on what is taught. Less 'popular' disciplines will struggle to keep their place on the curriculum because they will lack funding and universities will not afford to run them, and more sought-after subjects will flourish and predominate. The brutal language of some of the strategic plans quoted in Chapter Five reinforces this supposition. On the one hand there is the 'utilitarian

and training rationale' for higher education (Taylor & Steele, 2011: 2) and the impulse that Bottery (2000) has criticised to train graduates to become 'useful' workers, producers and consumers in the global economy. This makes its appearance in planning statements such this:

> Providing a high-quality relevant up-to-date course portfolio meeting the needs of prospective students, employers and the higher skills agenda (Bradford, n.d.. 3)

This extract exhibits another characteristic of most of the plans, namely the liberal and indiscriminate lauding of 'skills'. Such misconceived usage has been criticised by Collini (2003) and Spencer (2004).

Recalling that in Chapter Five it was found that the plans of Liverpool, Essex and Greenwich state that employers' needs or even employers' direct input will be sought in shaping the curriculum, Greenbank comments that to his knowledge neither HEFCE or government has discovered what working class non-participants in higher education might wish to study. He adds: 'in a higher educational system geared to the needs of the economy, it is the opinion of employers, not the students, which will be the driving force for change (2006: 156). *À propos* this Clegg remarks that the discourse of demand and customer 'was not designed to liberate the voices of students ... except through the limited operation of the market whose outcomes are necessarily unequal' (2005: 418).

On the other hand the provision of an academically and intellectually driven – one might add intellectually respectable – curriculum provides an opposing tension. Bournemouth's document attempts to resolve this difficult balance:

> The University will move swiftly from a position where it is financially-driven on an annual cycle to one where it is academically-led and underpinned by a robust financial strategy on a five year cycle and tight financial control on an annual cycle (Bournemouth, 2006: 2)

The marketisation of higher education has a worrying potential to undermine the broad, liberal curriculum that has (until recently) characterised most UK universities – 'university' signifying 'many branches of advanced learning'.

Opening up higher education to market forces is capable of doing great damage to an education system that has taken, as seen in Chapter Two, more than one hundred years to evolve. An increased differentiation and specialisation within the HE system need not be, *per se*, a retrograde tendency. But if it happens in an uncontrolled and haphazard way then profound damage may be done to the project, expressed in many universities' strategic plans, to contribute to society in the broadest sense. Noting that this market is not 'pure', Edwards and Miller argue that:

> The managed market suitably describes the current situation with individual, departmental, and institutional competition in a range of inter-linked markets for student funds, research, and even research productive academics ... the parameters of these markets are set directly by the state and its agencies. (Edwards & Miller, 1998: 48)

The operation of the quasi-market reflected in the strategic plans in this study engenders a differentiation that is both predictable and nurturing of élitism: 'such differentiation may entail ... the weakening of universalism' (Flynn, 1999: 32). What has been seen as a general resource for developing a modern democracy – 'a "capital good" as well as a cultural asset' (Taylor & Steele, 2011: 21) – not only in the instrumental sense of advancing science, technology, and economic activity, but also in broad and subtle ways such as fostering reflexivity and citizenship, as envisaged in the 1950s and the 1960s at Keele, Sussex and elsewhere, may end up having a very different nature. Not only the 'universal' nature of the curriculum might be weakened, so might the general contribution to society. Peters remarks on 'The transformation of higher education in Anglophone countries from a universal welfare entitlement into a private investment in human capital' (2004: 68), a point also made by Rustin (1998). The neo-liberal agenda informing competition, differentiation and a utilitarian role for higher education is summarised by Docherty thus:

> The argument advanced in favour a fees regime is that a University graduate will benefit financially from their education. Accordingly, they should be required to pay for that education, which is now construed less as an education and more as a business investment. The logic presupposes that there is a direct link between the specifics of a University education and higher-paid employment; and it also presupposes that the

> system of general taxation will not be intrinsically progressive enough to ensure proportionate payment through that route (Docherty, 2011: 183)

For the members of the Russell Group, their leading scholarship and their powerful reputation will tend to ensure that their taught curriculum is always in demand. However, their 'Prestige' business model appears less compatible with innovation, as evidenced in the plans and summarised in Tables 5.5 and 5.6. Furthermore these universities' plans express a similar concern for the revenue-against-curriculum relationship that the other two group's plans indicate, as shown in Table 5.7. This might mean that, over the medium to long terms, the Russell Group members' curricula become rather conservative and somewhat restricted, as 'lagging' areas of the curriculum are weeded out and successful areas are perpetuated. Ironically this provides an echo of the shrunken and fossilised curriculum of the ancient universities in the nineteenth century, as was described in Chapter Two. If this outlook proves accurate, then *in extremis* it could imply that the aura of 'Oxbridge' could wane as more vibrant curricula are developed elsewhere in what is, as Wolf (2002) identifies, a global market for higher education.

6.3.2 Research

If the 'Prestige' business model implies a pressure to concentrate on previously successful areas of research then the 'Customer Solutions' and 'Entrepreneurial' models convey a slightly lesser tendency to do so – they express a more flexible, 'gun for hire' posture. However, all three models also have to operate under a key imperative of revenue generation. Lucas (2006) discusses the fiercely competitive search for funding and its consequent status and power enacted by researchers within the UK higher education system. Dearlove (2002) suggests that they will increasingly cut their cloth to match the research councils' funded areas. Once again this phenomenon has been prefigured in the USA, as Lowen's comprehensive account of the shaping of Stanford University into a collection of 'cold war' research institutes during the course of the Twentieth Century makes clear. The extreme selectivity in research exhibited in the Russell and 1994 groups is likely to produce a concentration of disciplines, where the stronger subjects areas crystallise into a more-or-less permanent feature of a given university, and less successful fields

are not supported. This will almost certainly have the effect of reducing the number of fields available for active research, and, bearing in mind that many universities synergistically feature their strong research areas as part of the taught curriculum, it is very likely to circumscribe the taught curriculum also. In the medium-to-long term this could well have the further effect of limiting innovations in research itself – and consequently innovation in the taught curriculum – as novel or speculative avenues are less attractive in the short-term in favour of a conservative focus on existing areas of excellence. Certainly Lee and Harley (1998) argue that research selectivity can produce a constrained and conformist version of the discipline. The overall effect may be to reinforce a narrow and sclerotic caricature of Kuhn's 'normal science'.

Although the UA / million+ universities tend to concentrate more on applied and commercially linked research work which by its nature is more short-term, operating relatively small islands of research – 'centres of excellence' – within an ocean of teaching constrains the range and scope of their research.

6.4 The Consequences for Academic Professionalism

Problems are likely to afflict all of the business models presented in Table 6.1 in the 'Teaching' column. McMurtry (1991) argues that market and education are opposed on four fundamental dimensions: goals, motivations, methods, and standards of excellence. However, of particular note for its potential impact on professionalism is the 'Precision Model' evident in the 1994 Group. This is reminiscent of what Sennett (2006) identifies as an 'iPod organisation' – the ability to quickly 're-tool' and realign an enterprise where it has ample enough capability. In the university case this capability is in the capacity of the academics and other intellectuals who work in the organisation to adapt. Even in the purely 'for profit' business context what might be seen as admirable flexibility also has its negatives including, Sennett argues, a shallowness, a lack of commitment to content, and a compromising of loyalty. In higher education these are not phenomena that scholars require in order to pursue a subject to an advanced level. These arguments echo those of Blake *et al* in their critique of government policy on HE of the overemphasis on the march of globalisation, the supposedly accelerating rate of change, and consequently 'a need for flexibility in graduates' (1998: 4). In this context 'Knowledge and understanding,

so important in the transformative role of higher education, begin to be thought of as mere encumbrances, assumed vulnerable to rapid obsolescence' *(ibid.)*. Sennett (2006) makes a similar point about the general culture of late capitalism.

If, as Blake *et al* argue, an 'inappropriately economistic view of education ... conceives it as a commodity available in a market, and universities are market providers' (1998:16), then it is likely that different disciplines will take on different values in that market. The quotation from the 2003 White Paper *The Future of Higher Education* earlier in this chapter confirms government endorsement of this market-based differential. Blake *et al* go on to remark that:

> in some quarters subjects such as business studies and accountancy have acquired a kind of kudos derived from their supposed relevance to the 'real world' and from their potential as pathways to lucrative careers (Blake *et al,* 1998: 29)

If fee paying is the increasing lot of students following first Dearing in 1997, then the 2003 White Paper, and finally the Browne Report of 2010 (see Postscript), then they will experience pressure to study vocationally relevant degree subjects. This is tacitly recognised by the 'employability' factor foregrounded in two-thirds of the strategic plans in this study. The combined ideological assault of governmental rhetoric about higher education's utilitarian role in contributing to economic activity along with the universities' own stridency on employability will constrain many students' thoughts regarding what they will study and why. This is already evident in the US system. Discussing the financial implications of the differential popularity of disciplines in the USA and their sometimes lucrative graduate destinations, Shapin (2003) notes as a consequence of marketisation the relative opulence of business, law, and medical schools in North American universities. Another consequence of such market influence is that of academic remuneration. Shapin lists the average academic salaries at US universities:

> $53,000 for English literature scholars; slightly less than $60,000 for historians, philosophers and sociologists; $72,000 for computer and information scientists; $74,000 for economists; and $87,000 for chemical engineers. The medical, law, and business schools are, of course, *hors catégorie*, and the incomes of many scientists and engineers are further

> supplemented by 'summer salaries' paid by their funding agencies and, occasionally, by consulting fees and their share of royalties from whatever intellectual property they have created. But it is telling in this connection that those types of scientist whose researches are least likely to yield commercial outcomes get paid little more than their useless colleagues in the humanities, and less than the norm for economists and political scientists: mathematicians get $60,000 and chemists (as opposed to chemical engineers) $64,000. (Shapin, 2003: 19).

This kind of differentiation might well emerge in the English higher education system. In relation to the 2003 White Paper *The Future of Higher Education* Collini has argued that 'many of the proposals (and some of the policies) of recent years have been aimed at trying to make British universities more closely resemble their American counterparts, or at least some imagined version of them' (2003: 5). Wolf (2002) echoes this point about UK higher education tending to follow the US pattern, as does, with some qualification, Pratt (1997). Certainly hints that this subject differentiation might emerge appeared in the 2003 White Paper, which noted difficulties in recruiting academics in disciplines such as IT, business, and engineering 'where higher salaries were on offer elsewhere' (DFES, 2003: 52). The White Paper goes on to make available extra funding for academic pay – £117m in 2005-06 – coupled with the wish to 'remove the bureaucracy of the ring-fence, and give higher education institutions the freedom to spend this money as they see fit' (*ibid.*). This might take the form of 'market supplements or other differentiated means of recruiting and retaining staff', whereupon the university could claim its extra 'earmarked funding' for this purpose (*ibid.*). If this trend persists such differentiation will reflect a serious change of emphasis in the curriculum not only towards a much more instrumental choice of discipline by students but, perhaps too, academics, with a possible withering of those disciplines that lead to a less 'employable' or well-remunerated outcome. It might well lead to a more fractured and differentiated academic workforce, or one exhibiting greater casualisation in those less popular fields. Such developments would be corrosive towards the long-term in-depth development of those areas of the curriculum.

At a purely practical level of academic activity, the entrepreneurial business model might represents a diversion of scholars away from their more traditional work, as has been argued elsewhere:

> Some academics have always operated with an entrepreneurial outlook. There is no reason for this to be automatically decried or deplored. However, the values of entrepreneurship are not the same as those of traditional academia. If these latter values are not to be detrimentally affected by entrepreneurial activity in the universities then a discussion concerning the appropriate balance becomes imperative. Entrepreneurial activity can conflict with unbiased objective inquiry, the search for fundamental knowledge, and collegiality (Bissett, 2009: 121)

This diversion could promote the emergence of a 'two speed' academic culture, with more entrepreneurially active staff leaving quotidian duties behind and becoming significantly better remunerated than their colleagues who pursue more conventional roles within teaching and research.

The routine acknowledgement in the strategic plans that high quality academic employees are critical to the success of the higher education 'business', for example in Manchester's plan, does not negate the increasingly instrumental treatment of academics. This is exemplified in Liverpool's plan which stipulates that HR considerations must be part of all 'institutional planning particularly in respect of any restructuring and realignment' and goes on to mention in the same sentence 'the effective utilisation of the voluntary disengagement scheme'. Such policies are not necessarily in conflict with protestations of the vital importance of attracting and retaining high-quality academics, public intellectuals, iconic, virtuoso researchers, Nobel Laureates and the like. These attitudes could be seen as two sides of the same coin.

Writing of the USA, Lowen (1997) describes an expansionist dynamic where research institutes that have become devolved business units seek to acquire status, prestige, income, and growth. These factors become ends in themselves in Lowen's account, driven by the competitive scramble for funding and the competitive and ambitious personalities of the academics and administrators working in them. It may well be that if the higher education system in England continues to constitute itself into some version of the US system then the

expansionist dynamic described by Lowen of will become predominant in England, too.

These long-term effects are probably not being much considered at strategic or policy level. No evidence of such consideration has been encountered in this study. The managerialist perspective imbuing these plans tends to embrace an instrumentalist view – a narrow, technical-rational one – of a problem to be solved in short term rather than preserving a concern for the larger picture.

In sum, the pressure – essentially an artefact of the increased marketisation of HE, but also of the twin reduction in unit-of-resource state funding – to maximise income from successful areas, to minimise less thriving operations, and to seek out new revenue streams, all within what is (as most of the corporate plans remark) a highly competitive environment, may produce unfortunate and unforeseen effects upon both what is taught and researched, and also therefore the academic personnel who follow those disciplines. In short, this marketisation may yet transmogrify the curriculum of English universities in unintended and difficult-to-reverse ways. Such a high level of functioning cannot easily be regenerated once lost. Blake *et al* (1998) argue that innovation requires the traditions of knowledge, understanding, and self-critical academic inquiry.

> We destroy these traditions in our own country at our peril. The prospect, if we do so, is of a new subsidiary status in the world, not as players in the front line but as intellectual, academic and economic 'client states'. The real business of innovation will have moved elsewhere (Blake *et al,* 1998: 6)

Despite the constant anxiety on the part of successive governments since the nineteenth century concerning the utilitarian contribution made by higher education and whether the system is internationally competitive enough, several authors have identified that national economic success does not correlate well with the higher education participation rate (Collini, 2003; DFES, 2003) or the size or quality of a nation's university system (Parker & Courtney, 1998; Wolf, 2002) let alone demonstrate a causal relationship. The UK system continued to receive the second largest number of citations of scientific publications globally between 1981 and 2000 (DFES, 2003), the USA being first, with the UK's share

trending at around 11-12% over the same period and beyond (Adams & Smith, 2007). This is despite the public funding of higher education as a proportion of GDP languishing in the bottom third of the OECD members, 'well behind our main competitors' (Watson & Bowden, 2007: 37). If, as such measures suggest, the higher education system of which English universities are the major part is of disproportionately high quality in relation to its size and funding then this system might well prove brittle. Relatively small changes could have a drastic effect on this intellectual and cultural 'ecosystem' which has matured over the centuries. Once extinct, a species, especially one so exotic, cannot easily be revived.

Ultimately this possibility illuminates the question: 'what are universities for?' (Bissett, 2008). Significantly, most of the strategic plans noted here retail some version of a mission that includes promoting humane, civilised and cultural enrichment of society as well as contributing to its economic development. Such a mission could represent a countervailing tendency to the effects of marketisation. The question then is which will prevail – the mission or the more revenue-driven parts of the plan? This will be elaborated in the next section of this chapter.

6.5 Counterbalancing Positive Factors

Only one of the corporate plans in the sample, that of Sussex, mentions less successful activities being financially supported by income from stronger areas. Sussex' plan mentions this in a somewhat negative sense:

> revealing and eliminating unplanned cross-subsidy across the University following the introduction of the new Resource Allocation Model (Sussex, n.d.: 4)

Porter cautions that unintended cross-subsidy represents an enterprise's failure 'to understand its true costs', which in turn is a failure of 'strategic cost analysis' (2004: 441). However, the implication in Sussex' plan is that cross-subsidy might therefore sometimes be legitimate and planned, and indeed Porter identifies four conditions for strategically permissible cross-subsidy. This is an aspect might be a mitigating factor on pressure to cut the curriculum – indeed some universities might be uncomfortably aware that they might appear too

narrow or specialised. In the USA such cross-subsidy may take place, as Shapin records:

> Further complicating any facile condemnation of commercialism [in higher education] are the revenues ... a significant portion of which typically goes to general university funds. As one of my local technology transfer officers was recently heard resentfully to remark: "That's what pays for the fax machines in the damn sociology department." (Shapin, 2003: 18).

Another potentially redeeming feature found in many of the plans is an expression of the role of universities as liberal, inquiring institutions. Manchester's plan provides a fine example:

> **A Learning institution** – where scholars and researchers working at the cutting edge of knowledge are also teachers, helping successive generations of students learn to respect the disciplined pursuit of truth through rational inquiry, to appreciate the best that is known and thought in the world and to develop cognitive skills, intellectual honesty, humane values and professional expertise of the highest order.
>
> **A Liberal institution** – where rational inquiry remains unfettered, unconventional and/or unpopular critiques of conventional thought are valued, academic freedom is protected and researchers, scholars and students from all backgrounds are welcomed and supported. (Manchester, n.d.: 3)

Such 'expressive' statements of policy can be contrasted with the 'instrumental' or 'operational' aspects that express a more market orientated and revenue-driven strategy, and it is not clear which side will carry more weight. But there is a possibility in many of the plans – in a section often termed the 'vision' or 'mission statement' – that these more traditional and even critical-thinking concepts of higher education will at some point present a serious counterpoint towards the more commercial or 'business' tendencies.

A final factor is that of human agency. The academics obliged to work within these changes may resist in a variety of ways, and be able to 'smuggle in' liberal, more general aspects of the curriculum. Seddon (1997) also emphasises the part that public service plays in the professional ethos of educationalists, and Barnett (2007) presents ample testimony to the 1997 Dearing Committee

from academics at all levels who are struggling to preserve the special civilising and public service role that higher education can provide.

6.6 Summary

The pressure for income growth is largely responsible for fuelling the competition between universities, and government policy endorses the resulting differentiation between universities. Accompanying the reduction in government spending and the demands of rising student numbers has been an ideological thread that became particularly evident from the 1979 Thatcher government onwards, of hostility towards public provision and a faith in the operation of markets with their competition and supposedly enhanced 'consumer choice' (Edwards & Miller, 1998). Markets, over the longer term, may be efficient mechanisms for matching supply and demand. In the shorter term they are prone to over-reaction and overshooting (Malkiel, 1999). Such fluctuations may not provide the best safeguard for a well-balanced system of education and culture that has evolved during two centuries. The short-term damage that markets may inflict could result in a long-term loss of capacity from which it may be very hard to recuperate. Moreover, even if such a sophisticated and advanced capability could be reconstituted, it is likely that the market mechanism expressed through global competition would ensure that other competitors would already be addressing the demand.

The dangers of commercialisation as seen in the USA have been outlined by Bok (2003) – distortion of the curriculum, subversion of academic priorities, the lowering of academic standards, and undue influence from extra-academic sources. The evidence presented in this chapter and the preceding one certainly suggests that the curriculum in the UK is not immune to such influences.

Several authors (Barnett, 1990; Bok, 2003; Walker & Nixon, 2004) concur that, as an antidote to commercialism, it is important to keep in mind the fundamental values that one might desire for higher education in order to help combat undue commercial pressure. This takes us back to the original question at the start of this work: 'what are universities for?'.

Chapter 7 – Conclusions

The data and the arguments contained in the preceding chapters have lent support to the view that universities in England are increasingly being operated as businesses, and that therefore it is valid to examine the business models within them. The corporate plans – the data at the heart of this study – do 'tell a story' as Johnson *et al* (2008) have put it, as was noted in Chapter Four. These plans form a central part of the evidential basis for this study, as does the historical overview presented in Chapter Two. Careful analysis – the 'scientific' approach made necessary by the nature of reality in the critical realist view – has been necessary to uncover the business models in the strategic planning. The 'Framework' method of Ritchie & Spencer (1994) worked well for this analysis, being a useful mixture of rigour and flexibility, and it helped to manage a large and extraordinarily rich data set. It was modified slightly to include a data reduction step, but no problems were encountered with the method.

7.1 Aims and Objectives Revisited

The main aim of this work identified in Chapter One has been accomplished, namely 'to investigate the nature, in particular their effects on the curriculum, of the business models that institutions of higher education in UK have adopted or are moving towards in the near future'. The business models identified appear both to reflect the primarily revenue-driven nature of the curriculum and to operate in ways that reinforce that tendency. This threatens to undermine the range of disciplines that the higher education system can offer. The extensive liberal curriculum that has evolved over the centuries is starting to appear unsupportable in the higher education quasi-market.

The two objectives – 'to analyse the corporate plans of a representative subset of UK institutions in order to identify the respective business models', and 'To develop an understanding of the impact of these business models on higher education' – have been realised.

To answer the question 'what are universities for' is part of a larger and ongoing debate to which this study attempts to make a contribution.

7.2 Contribution to Knowledge

The contribution to new knowledge that this investigation makes can be summarised in the following points:

- The validity of searching for a business model in higher education has been demonstrated;
- An elaboration of business models in higher education has been made by this study, including the identification of two new models, the 'Prestige' and the 'Precision';
- The four business models found might be used as a template to help assess and understand university operation, and can be employed in future investigations;
- Some consequences of the business models for the curriculum and for academic professionalism have been drawn out. This represents additional knowledge that can contribute to theories of curriculum change.

Proof is difficult to achieve in the study of social systems (Alasuutari, 1998), and this study cannot offer such certainty. However, on an evidential basis some of the concerns about shrinkage of the curriculum expressed in Chapter One do seem borne out by the data constituted by the strategic plans and their subsequent analysis in Chapter Five, and a strong argument that the higher education curriculum is being affected can be propounded based on this evidence. Equally this study acknowledges some counterbalancing factors such as the human imperative to develop knowledge, and professional agency on the part of academics, that make the outcome of the current situation by no means foregone, and this point will be returned to shortly.

Business models have proven to be a useful lens through which to view the terrain, but they are not the only way in which this question could be approached. Some alternative suggestions were outlined in Chapter Four.

7.3 Strengths, Weaknesses and Future Work

A strength of this study is that the breadth of the sample frame helps to validate the findings. As discussed in Chapter Five, this means that it is less likely that a

significant factor or phenomenon in the operation of English universities has been missed. Equally the standard criticism of the predominantly inductive approach employed – that in analysing twenty plans, the twenty-first plan might in effect be Popper's 'black swan' – can be made.

A more subtle criticism is that the study only takes in plans. These are statements of intent – they are not necessarily what actually happened. Against this, the uniformity of many aspects of the plans does make it plausible that they are truly intended for operation by the scores of people that assembled them and some evidence for their use has been adduced from Jarzabkowski and Wilson (2002). To access the information that would verify what actually happened would require that a number of constituencies at all levels of a given university be consulted. However it would be problematical to obtain the views of these constituencies – from top levels of management, to academic staff, trade unions, students and so on. Firstly, it is inevitable that some significant information would be non-disclosable. A further problem, alluded to in Chapter Four, is that interviews might suffer from issues of informant bias.

A third criticism of this study is that it may not be fine-grained enough to search for differences between universities that the three categories chosen – Russell Group, 1994 Group, UA / million+ Groups – might obscure.

As was discussed in Chapter Four, Critical Discourse Analysis (CDA) could be utilised as a research methodology. Rather than analyse how language functions to construct a discourse in a narrow, linguistic sense, CDA seeks to contextualise that discourse and to surface the uses to which it is put. CDA is not really a coherent collection of methods and techniques, it is more an investigative stance (Fairclough, 1995). The specifics of 'standard' discourse analysis (Gill, 1996) are used in CDA, but to a rather different end. These specifics include:

- Identification of rhetorical devices or styles;
- Identification of lacunae, or 'gaps' – what is not said also being treated as significant;
- Identification of contradictions in the discourse.

These, broadly speaking, could be the methods employed in the analysis of the primary data, namely, the documents produced within and around the higher education system. Such a study might well yield different insights and nuances, and could also help to 'triangulate' the findings already presented.
For example, the plans' indiscriminate over-use of the word 'sustainable' should be placed into a better understanding.

Another analysis that could be undertaken with the regular gathering of fresh data would be a longitudinal study of a selection of universities. This would be of interest in order to see how plans were changing from one planning cycle to the next. It might be expected that there would be a correlation with changes in government policy. For a given university one would be comparing like with like.

A case study approach could be adopted (Yin, 2003), on either a per-discipline, per-institution, or per-departmental level, the latter selecting cases from news stories such as those cited in Chapter One concerning the threat of departmental closure. Case studies can often yield telling detail, yet they are not necessarily limited in their ability to generalise:

> It has often been argued that small scale studies are unlikely to provide general conclusions from a small sample ... However ... the merit of a case study, whatever the size, is the extent to which details are adequate and suitable for someone in a similar situation ... Many related cases in different reports by various researchers can later be used to form an overall idea about a situation (Shibl *et al*, 2008)

For a more quantitive study, the breadth of the HE curriculum on offer (sometimes called 'the portfolio') can be assessed from sources such as the Higher Education Statistics Agency. The breadth and depth can be evaluated from the reports of professional bodies and learned societies such as the Royal Institution and the Institute of Physics.

Finally, the pressure to achieve financial success in the university might be located and elaborated in a wider context. Sennett's thinking on the culture of late capitalism could be linked with the ethos of higher education under these pressures (2006). This ethos might reflect an imperative for flexibility, or even a

lack of the deep dedication to an academic's own subject that Altbach and Lewis (1996) and Macfarlane (2004) have found. Pursuing this line of thought further, Jameson sees post-modernity as the cultural condition of late capitalism (Homer, 1998). From a critical realist angle there is a critique of postmodern theorising, and Jameson's work also provides a critical commentary, but this would be an interesting area to explore. Flynn also notes that some writers on post-Fordist capitalism see 'economic trends towards flexible work organisation' as 'paralleled by cultural, social and political transformations' (1999: 20). An argument might be explored that the pressures on higher education are producing such 'transformations' within universities. It would be interesting to evaluate how far higher education is responding to the cultural logic of late capitalism in terms of its curricular offerings.

7.3.1 The Value of Using Critical Realism

As stated in Chapter Four, the theoretical perspective informing this study is critical realism, implying a constructionist epistemology. The explicit identification in this study of a theoretical perspective and epistemology engendered a sense of intellectual completeness and consistency. However, the author feels that the significant step was to identify a sound theoretical orientation that would provide a coherent *weltanschauung*, a reassuring platform from which to begin, and a satisfying theoretical backdrop against which the research could be justified. Other cogent theoretical perspectives could have fulfilled this role. To quote Easton's comment on critical realism:

> As with all philosophical approaches critical realism cannot be proved to be the "right answer". Acceptance of a critical realist approach depends on whether you agree with its basic assumptions, and that acceptance can be based on any number of things (Easton, 2010: 128)

Easton goes on to enumerate why he accepts critical realism, his arguments amounting to 'because it fits'. The present author can embrace this standpoint, both in terms of its content and its self-justification, the latter in that critical realism propounds that all theories are potentially fallible and contingent. For the present author two important specifics are that, firstly, there is a real, pre-existing world external to himself, and secondly, a certain amount of 'science' –

what Clegg (2005) refers to as 'scientificism' – is usually helpful in explaining the empirical in terms of underlying mechanisms and structures.

Critical realism then accords with the researcher's outlook and with the aim of the study, and two practical consequences for the research transpire. The most important was that critical realism encouraged the 'critical' aspect of the work, that is, an examination of the context and policies that had produced the phenomena under study in the sense that Ham and Hill (1993) advocate. This examination is essentially reflected in Chapters Two and Six, and implicitly in Chapter Five. A less critical study would, for example, have a narrower focus such as 'the effectiveness of a given strategy in creating research revenue', rather than taking as its starting point an interrogation of the context that generated that strategy and the need for it. Closely related to the 'critical' posture is the second consequence, that of searching for underlying mechanisms that are hidden. A critique implicitly expects that ideologies and theory-laden 'explanations' will be at work, and that a certain amount of analysis will be needed. This is counter to, for example, the positivist view, which Popper neatly rendered as 'The world is all surface', and for which Medawar proffers the tongue-in-cheek definition: 'The world is everything that seems to be the case' (Medawar, 1986). Clegg argues that 'the underlying assumptions of positivism (like forms of idealism) entail a flat ontology that operates only at the level of the empirical' (2005: 420). By contrast critical realist ontology views the world as having differentiated depth, and proposes an taxonomy consisting of the empirical, the actual and the real. The latter includes underlying mechanisms, structures, and entities with powers that produce empirically observable outcomes. Studying some of the outcomes (as in Chapter Two) is a start, but trying to understand and explain the real in the transitive domain of the social world implies the search for and analysis of mechanisms (as in Chapters Three, Five and Six). Business models are of course just conceptual, but such entities can have power whether they are made explicit and explicitly acted on, as business models sometimes are, or when they remain implicit and submerged, as in both the literature on education policy and the strategic plans in this study. A business model then provides a mechanism, study of which can help to create an explanatory level. A business model in operation would not be

the only mechanism at work in an open social system (Danermark *et al*, 2002). A quotation from Clegg sums up the orientation of the present study:

> Much of this work takes place through theoretical reasoning, involving both historical and comparative argument, in the absence of proper experimentation. In the social sciences the sorts of experimental closure Bhaskar describes in (some) of the natural sciences is not possible ... This lack of true experimentation, however, need not unduly worry us in constructing rigorous explanations involving empirical data (Clegg, 2005: 421)

The constructionist epistemology, which is not the sole province of critical realism, tended to steer the researcher towards documentary analysis, keeping in view the socially constructed nature of the higher education enterprise and the artefacts – such as strategic plans – that it produces. The interplay between subject and object in the production and the analysis of such artefacts seems self-evident, and critical realism offers and explains this view of the matter, but this focus is not an inevitable consequence of the theoretical perspective. More specific to critical realism was the notion that in uncovering and analysing the business models one was finding an aspect of reality that was not immediately apparent, and which required 'science' to uncover it. None of the strategic plans or the wider literature mentioned business models in the sense of the present study, so this surfacing of part of a mechanism was a key aspect of the work.

Critical realism also provided a useful frame that facilitated the 'scoping' of the study. It guided the terrain over which the study would range, not so much directing to specific inclusions but helping to situate theories and pathways that, whilst providing an interesting counterpoint or contrast, did not require detailed refutation or extensive inclusion. This category contained, for instance, Scott's post-modernist interpretation of mass higher education (1995), and Slaughter and Rhoades attempt to bring Foucault into their theory formation (2004), along with the many other interesting and potentially diverting pieces of writing that come to the researcher's attention. This is not, by the way, to say that critical realism cannot accommodate 'the enormous contribution of Foucault to our understanding of the importance to attending to power-knowledge' (Clegg, 2005: 419). Once again it should be acknowledged that this guiding aspect of an explicit theoretical perspective is not unique to critical realism.

An alternative way of handling this question is to consider whether a different result would have been obtained if a different theoretical perspective and epistemology had been adopted. To answer this one has to reflect that certainly a different *kind* of study would have resulted, yielding a different viewpoint, a different facet, of the area under investigation. Perhaps a different type of study would emphasise the professional challenges confronting the individual academic or university administrator, topics to which a subjectivist epistemology would tend to direct attention. Alternatively, perhaps an objectivist epistemology would guide the researcher to study the fortunes of an individual discipline within higher education, by examining externally visible phenomena such as the number of courses on offer, the number of departments promoting that discipline, the fluctuations in the number of students following that discipline or the number of academics teaching and researching it. The focus would probably shift away from a concept such as the business model in either case. But ultimately one can speculate that the result would be in accordance with the present study, although presented from a different angle, and with a different emphasis.

7.4 Personal Reflections

Performing this investigation has given the author a richer appreciation of the complexities of the higher education system, especially concerning its subtle and organic evolution. Some of the forces that have shaped my life have become apparent to me, and the context to my own life story has become clearer. I have gained a particular admiration for Lionel (later Lord) Robbins, whose work I have come to realise enabled important opportunities in my life, and in the lives of thousands of others. I regard his inquiry and its report as a powerful, successful, and unfortunately rare blend of the visionary and the meticulously practical. If some villains have lurked in this study, he would unquestionably be my hero.

I have gained a deeper understanding of the research process and the importance of its theoretical basis. It appears too, with hindsight, that much can hinge on the practicalities. I am especially grateful to have encountered the 'Framework' method. Once I grasped it, the rest of the study quickly fell into

place. However I have also become aware that in research much spadework is required to support even limited and provisional findings.

Five further detailed observations can be made. Firstly, although I have published around forty refereed papers and book chapters, this study has been the longest (in size and duration), most extensive (in scope and scale) and deepest (in its theoretical underpinnings) piece of research that I have yet undertaken. A particular challenge in this last respect has been maintaining the sustained argument across this size of study. Some of the intellectual concepts and arguments embedded within have been amongst the most challenging that I have encountered.

Secondly, marshalling and utilising the wide range of sources has been a new and in many ways fascinating challenge. The author is vividly aware that the research process involves 'standing on the shoulders of giants', and strongly echoes Taggart's remark that 'Through a reading of the literature [he] has gained an understanding of the methodological approaches used by other writers in their analysis and interpretation' of the research field (2004: 15). Such learning has been interesting and informative, even where the theoretical approach – for instance in Scott's post-modernist flavoured book (1995) – was rather different to the critical realist position adopted by this study.

Thirdly the author has gained an appreciation of qualitative research, both in its aims and purposes and in of some of its methods. I was initially educated in the physical sciences, and this shift of theoretical and practical perspectives was fairly novel. On the other hand, Ritchie and Spencer's 'Framework' approach (1994) carried familiar echoes of my later, IT background, in the sense of identifying and logically categorising key entities in the domain of concern; such procedures invariably form the prelude to the development of a new IT system (Sommerville, 2011).

Fourthly, the author learned, chasteningly, how difficult it is to develop and support an argument consonant with the available evidence. One might start off with a powerful suspicion or create a bold and ambitious hypothesis, but sustaining and supporting such positions proves much harder. The question of

actual proof of causality, as the author has learnt from reading social scientists such as Alasuutari (1998) for example, or from the writings of philosophers of science such as Karl Popper, engendered an expectation of its elusiveness, and this has been painfully borne out. On the other hand, reading, analysing, and utilising the work of many other authors has sensitised the author to gaps and inconsistencies in argumentation, and so hopefully the quality of his own reasoning and analytic presentation has improved.

Finally, the author feels that he has presented a developed argument about business models in higher education that has some explanatory power. Whilst there is not – yet – strong proof that some of the effects of some of the business models could endanger the operation of a broad curriculum, the business models are themselves a response to highly instrumental pressures in the higher education environment, and their consequences are not all invariably benign. One does not need to stretch the arguments presented in this study in order to see higher education becoming a form of individual consumption with its emphasis on transferable skills for employability, rather than on knowledge as a good end in itself. Sennett's description (2006) of late capitalist culture with its emphasis on contingency and flexibility, its high rate of change, and its encouragement of a certain lack of long-term commitment to one's academic or vocational discipline does seem to echo some aspects of post-modernist theorising, but post-modernism is not necessary in order to explain the pressures on a public sector that has become too expensive to maintain in its earlier forms. These earlier forms included Jasper's 1965 definition, quoted by Pratt (1997: 204), of the university as 'a community of scholars and students engaged in the task of seeking truth' and what Pratt identifies as 'the priority of the discipline' in the 'autonomous tradition' (*ibid.*: 9).

7.4.1 'Positionality' Revisited

In Chapter One the author's own background in relation to higher education was presented. At the end of this study the author's final view can be encapsulated in the word 'balance'. Any public support for higher education, even if it consists of underwriting a system that is increasingly on the way to privatisation, as Holmwood judges it to be, places a reciprocal obligation on that system.

> While the marketization of undergraduate courses and 'student choice' are a poor means for securing [this] enlarged idea of education, it is also incumbent upon academic staff to develop a curriculum suited to the needs of students. In other words, it is right that students be at the heart of higher education, but in a role other than as consumers (Holmwood, 2011: 8)

Or, as Berdahl puts it:

> The universities should form their educational policies with sensitivity for national needs, and if subsidized by public funds, after consultation with the appropriate governmental offices. In the case of disagreement over ends or means between the state and the universities, the universities' judgement should prevail, with the understanding that they have the responsibility of demonstrating the wisdom of their decisions within a reasonable time and subject always to ultimate political intervention in the face of a major breakdown in higher education. The execution of the subsidized policies should be entirely free from the close state supervision which normally accompanies grants of public funds (Berdahl, 1959: 193)

The present author endorses such views. The debate concerning how to balance 'discipline autonomy' with Berdahl's 'national needs' is the proper material for public debate, both inside and outside the universities. But, crucially, the author fears that an agenda that reinforces a utilitarian view of higher education at the expense of autonomous intellectual inquiry will encourage a differential valorisation of disciplines by students, society at large, and the universities themselves. The threat of an impoverished curriculum is one result. The different business models uncovered in this study both reflect and reinforce this utilitarian pressure.

7.5 To Conclude

In the past twenty or so years English higher education has undergone a transformation from being an élite system to becoming a mass system and its utilitarian contribution to economic activity has been pushed into the foreground. Simultaneous reductions in funding and accompanying government policy have pressured higher education into an increasingly marketised and competitive mode of operation. In effect higher education has gone from being a public good to being a private investment made by the individual (Peters, 2004). This has generated an increased drive for the curriculum to contain subjects that will

benefit the individual student as he or she 'invests' in the long-term future. The curriculum is tending to become one that fits the individual student to become an apt employee, producer and consumer in the global economy (Bottery, 2000; Taylor & Steele, 2011).

The pressure for universities to maximise income from successful areas, to minimise less thriving operations, and to seek out new revenue streams, all within a highly competitive environment, threatens to produce constraining and unforeseen effects upon both what is taught and researched, and also therefore upon the academic personnel who follow those disciplines. In short, this marketisation may yet transmogrify the curriculum of English universities in unintended and difficult-to-reverse ways.

Ultimately this possibility raises the question: 'what are universities for?'.

Whilst there are reasons for concern, even pessimism, there are also reasons to be optimistic. There is a tension in higher education, and several authors discuss this (Love, 2008; Taylor & Steele, 2011; Walker & Nixon, 2004). Significantly most of the strategic plans analysed here retail some version of a 'social good' mission that includes promoting humane, civilised and cultural enrichment of society as well as, in more utilitarian terms, contributing to its economic development. So there is hope; its origins are located in the intellectual curiosity and ambition of both academics and of students engaged in higher education. There seems little point in seeking hope from governments. Most politicians have rather different interests and pressures, and their influence has lately been inept. Many academics will recognise the picture painted by Taylor & Steele of New Labour's record – 'disappointingly conformist, bureaucratic and in many respects philistine and illiberal' (2011: 7).

Higher education, then, is contested terrain (Love, 2008). Those academics who work in it, those more enlightened people in governments and in universities who manage it, and those knowledge-hungry and intellectually questing students who enrol in it, may generate by their own work and requirements forces that push against the financial constraints affecting higher education. The stratified and diverse higher education system will in many

places preserve alternative visions to that of the 'utilitarian and training rationale' that Taylor & Steele (2011) identify.

A higher education system that is largely underwritten by public funding or indeed in any other way publicly accountable should not be an intellectual sandpit for the middle and upper classes of society. Berdahl (1959) makes this point eloquently, this observation occurring to him in the year of the present author's birth, 1954. Neither should a university education be a 'vanity' project, the higher equivalent to the proverbial 'Swiss finishing school', as Gallie (1960) hints it sometimes has been. However, in the UK universities are already a very long way from the sandpit, ivory tower, or any other simile of 'donnish dominion', as the increasing pressure for 'relevance' during the last few decades has ensured (Halsey, 1992). Yet a higher education system that is too greatly centred around the utilitarian and training rationale will be intellectually impoverished, restricted in its range, and may eventually become mediocre. The debate concerning 'what universities are for' is vast in scope and never-ending in time, and this study can only add a small piece to the jigsaw.

What does seem certain for the future is that some circumstances are never likely to be seen in a 'mass' system of higher education, scenes such as Lindsay's personal chats with every one of Keele's 150 undergraduates at the start and end of each term, or the Arcadian vision of 'a beautiful downland valley, rich in mature trees' (Spence, 1964) that greeted the first students to enter Sussex University and recalling the image of Newman's Oxford college snapdragons from half a century earlier (Wyatt, 1990), or the cosy picture painted by Robbins, as he went as an undergraduate to LSE in the 1920s following his experience of trench warfare in France, wherein he witnessed the leading economist of the day quietly playing chess with an undergraduate in the corner, and a 'rather attractive young woman was drying a pair of red stockings before an open fire' (Robbins, 1971).

Such scenes will not be repeated, and, many would say, we are none the worse for that. Nostalgia makes a poor guide for the future. However these vignettes do express something of the emotional, aesthetic and intellectual attachment

that many people who work in or who have passed through higher education cherish in relation to that endeavour. This is a powerful force.

Academics will be one vital constituency to have a say on the future direction of the higher education curriculum. They, and other intellectuals who are motivated primarily by an interest in their discipline, the perpetual stream of intellectually curious and energetic young people who enter the system every year as students, and too the pressing demands and needs of wider society, will help to counter an instrumental and narrow view of higher education.

The terrain is contested. Therein lies hope for the future.

Postscript

Events after the period covered by most of the strategic plans in this study have served to confirm the marketised nature of higher education and the revenue driven operation of universities in competition with each other. The Browne Review, commissioned in November 2009 under the remit of *An Independent Review into Higher Education Funding and Student Finance* was published in October 2010, following the return of the coalition government in May of that year (Browne, 2010). Its key proposal is to remove 80% of HEFCE funding and replace this with fees paid by the student but underwritten by the government. Graduates are to pay these fees back to the government scheme once they are earning more than £21,000 per year. In effect students amortise their purchase of the higher education 'commodity'. A supposed motivation for this purchase is that 'The return to graduates for studying will be on average around 400%' (*ibid.*: 3). This funding proposal can be seen as a form of highly deferred 'graduate tax', although the review itself, perhaps for reasons of presentation, claims some differences between its 'student finance plan' and taxation.

Browne proposed that the £3,290 upper limit on student fees is removed, although universities charging more than £6,000 will be obliged to make a financial contribution towards widening access. The Review repeats the familiar claim that 'our competitive edge is being challenged by advances made elsewhere' despite the UK's 'disproportionate number of the best performing HEIs in the world' (*ibid.*: 2). Other countries, it claims, are increasing their investment in higher education. The Browne proposal predicts that demand in the UK is to grow beyond the current 45% participation level, so a growth in student places of 10% over the following four years is built into the system. The ideological faith in market operation that imbues the Review is clear. In an accompanying press release Lord Browne claims that our 'world renowned' higher education system 'too often ... enshrines the power of universities and not the power of students ... These reforms [in the Review] will put students in the driving seat' (Browne, 2010). Arguing that 'it will be up to students whether they choose the university', as if this were a matter of choosing which pizza to order rather than a competitive process in which, very often, the university selects the student, Lord Browne continues 'The money will follow the student who will follow the quality. The student is no longer taken for granted, the

student is in charge' (*ibid.*). The belief behind this simplistic thinking is made evident in the Review's foreword: 'Competition generally raises quality' *(ibid.:* 2). The fiscal logic is also explicit: 'Since this review was commissioned the pressure on public spending has increased significantly. This will add urgency to make funding sustainable' (*ibid.*).

Even allowing that students will act on the calculated basis of their 'return' on their higher education 'investment', the logic of the Browne Review depends less on students' ability to perceive 'quality' or their supposed disposition to follow it, or even to take on the concomitantly higher levels of debt that 'higher quality' universities with higher fees will require, than on the presumption of 'frictionless' market operation. This presumption ignores the competitive selection process for entry to higher education which depends, as Bourdieu has argued, on quite different matters – such as the amount of 'cultural capital' that the student brings to the process (1973).

The intention in the Browne Review is surely to give impetus to market competition in the universities' hunt for revenue and to reinforce the casting of students as customers. It will help to ensure a less regulated market than hitherto, within which the 'consumers' substantially pay for – rather than contribute to the cost of – their higher education. This in turn is likely to deepen the roots of the business models enshrined in the universities' strategic plans.

It is not unimaginable that, in future decades, such an approach to funding higher education will see the sector differentiate further into a binary system of fully private 'ivy league' universities on the one hand and state-funded universities on the other, much as exists in the USA. A positive aspect of this would be that the former group of institutions would at least be largely free from the dismal interference seen emanating from governments over the last three decades.

Finally, it is interesting to see that the Universities of York and Exeter both left the 1994 Group in 2012, after the term of their strategic plans in this study, and subsequently joined the Russell Group. These moves are not incompatible with the analysis presented in Chapters Five and Six.

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