

Weights and measures: the challenge of recognising and rewarding quality in the higher education market

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Weights and measures: the challenge of recognising and rewarding quality in the higher education market

– **Louisa Darian**

Government policy has supported the development of a market in higher education: choice has increased, both in terms of the number and type of provider, and fees have risen. In this context, information has become more important, and yet while there is no shortage of data in the higher education sector there is a dearth of the right types of information. Most importantly, and unlike many other public service sectors, there is little information on quality. At the same time, marketing teams and league tables have grown in number and significance, at times adding to the confusion. This has implications for student choice and oversight of quality in the sector. It also means that providers delivering the best teaching are not recognised for it.

A number of developments have aimed to address this. The Competition and Markets Authority has issued consumer guidance for the sector, and the Government's White Paper sets out a number of initiatives to revolutionise transparency, including through a Teaching Excellence Framework. In relation to the latter, the White Paper goes some way to addressing some of the initial concerns, but there remain issues that could threaten its success. A key challenge is how to introduce a framework that is both light-touch, but also genuinely measures what it set out to.

Why change is needed

The sector has grown considerably in size and scope over the last few decades. The lifting of the student number cap, and measures to make it easier for new providers to enter the sector mean that there is more choice in higher education. At the same time, students face higher costs and risks, with evidence that some new providers are delivering poor quality courses.¹

This has made access to information all the more important, both to support choice but also oversight of quality in the sector. And yet there are limits to what is available, particularly in relation to information on quality. While universities are rated for their research excellence this does not apply to teaching and, unlike other sectors, the Quality Assurance Agency for Higher Education (QAA) does not provide a rating of teaching quality. Information on other aspects of courses is also limited. For example, information on employment outcomes, including earnings, is based on data six months post-graduation. And information in relation to postgraduate provision is even worse.

In the absence of good information, poorer measures of quality have often been drawn on, including entry standards, which are a better reflection of students' pre-existing abilities, and fees. Degree outcomes (the number of 2:1s and 1sts awarded) have also been used, despite the fact that they are not comparable. Together, and alongside wider information, these data have been included in league tables. These now exist for almost every aspect of the student experience, and all drawing on different methodologies and metrics. These are often used by students: half of prospective students report

1 National Audit Office, *Investigation into financial support for students at alternative higher education providers*, HC 861 Session 2014-15, 2nd December 2014. Available at <https://www.nao.org.uk/wp-content/uploads/2014/12/Investigation-into-financial-support-for-students-at-alternative-higher-education-providers.pdf> (accessed 13th June 2016).

that they used league tables to make their choice,² and six in ten undergraduates say that they are a good indicator of quality.³ It is no surprise, therefore, that they have also been popular with university marketing teams, which have grown in size. A study of 70 institutions found that spend on marketing had increased to £6 million in 2012-13, up almost 15 per cent from the previous year.⁴ In some cases, this has added to confusion. Students see league tables as a key means to understand quality and yet academic research suggests that they are a poor overall indicator of this.⁵

The result is that we know little about where the best practice lies in the sector. This means that we cannot conclusively say that there is bad practice in parts of the sector, but we also can't counter that with evidence that there isn't. A look at some of the proxies for quality also suggests that there may be quality enhancements to be made. For example, 38 per cent of staff do not have a teaching qualification,⁶ despite evidence from the Higher Education Academy (the body charged with promoting teaching excellence in universities) that demonstrates its importance.⁷ We also know that there are

- 2 Unpublished survey findings from *Which?* based on findings from online survey with 992 applicants (due to start university in September 2015), between 27th March and 2nd April 2015.
- 3 'A degree of value: value for money from the student perspective', *Which?*, November 2014. Available at <https://www.nao.org.uk/wp-content/uploads/2014/12/Investigation-into-financial-support-for-students-at-alternative-higher-education-providers.pdf> (accessed 13th June 2016).
- 4 D. Matthews, 'Marketing spend up, but applications fail to follow suit', *THE*, 20th March 2014. Available at <https://www.timeshighereducation.com/news/university-student-marketing-spend-up-22/2001356.article> (accessed 13th June 2016).
- 5 A. Abbas, P. Ashwin, M. Daykin, X. Gao, and M. McLean, 'The Pedagogic Quality and Inequality in University First Degrees', University of Nottingham, forthcoming. See <http://www.pedagogicequality.ac.uk/> (accessed 13th June 2016).
- 6 Data request submitted to HESA, June 2014. Academic staff are defined as staff at least one of whose contracts of employment was for an academic function and whose contract activity can be categorised as 'managers, directors and senior officials', 'professional occupations' or 'associate professional and technical occupations', as defined by the 2010 Standard Occupational Classification (SOC) major groups 1, 2 or 3
- 7 Higher Education Academy (HEA), 'The relationship between HEA Fellowship and student engagement', 2016, available at <https://www.heacademy.ac.uk/sites/default/>

significant variations in how hard students are working across different subjects and institutions.⁸

There are numerous implications of this picture. It means students are not always making informed choices. We know that three in ten students think that a 2:1 is the same across different universities when this is not the case.⁹ And graduates often report that they would have conducted different research in hindsight, with three in ten saying that they would have researched employment outcomes and one-quarter teaching quality. It also means that good practice is not always being recognised and that there has been less need for providers to compete on price with fees averaging close to the £9,000 cap. While some have been able to draw on the power of their reputation and brand, others have had to work much harder.

Recent developments

The problems with information in higher education have been the subject of a number of government inquiries and initiatives. The Office of Fair Trading's inquiry, later taken up by its successor body the Competition and Markets Authority, identified a range of information that they deemed to be 'material', but which was often not being made available to students. This included a whole range of information including on course composition, the amount of private study expected and the amount and type of teaching, as well as information on total costs, and will have significant implications for

files/downloads/ukes_and_heia_fellowship_correlation_march_2016.pdf (accessed 13th June 2016); and G. Gibbs, 'Dimensions of Quality' (York: HEA, 2010), available at https://www.heacademy.ac.uk/sites/default/files/dimensions_of_quality.pdf (accessed 13th June 2016).

- 8 'The Student Academic Experience Survey, 2013', *Which?* (May 2013). Available at http://www.hepi.ac.uk/wp-content/uploads/2014/02/1.Higher_Educational_Report.pdf (accessed 13th June 2016).
- 9 'A degree of value: value for money from the student perspective', *Which?* (November 2014). Available at <https://press.which.co.uk/wp-content/uploads/2015/09/A-degree-of-value-November-2014.pdf> (accessed 13th June 2016).

institutions processes.¹⁰ The watchdog also called for reform of the Key Information Set and for providers to set out their terms fairly and transparently. A compliance check is underway, and we will soon know whether their advice has been heeded, although a review by *Which?* found that some institutions were still not meeting their legal requirements.¹¹

The Government's White Paper outlined plans to revolutionise transparency in the sector.¹² Included in this are controversial proposals to introduce a Teaching Excellence Framework (TEF). The proposals will be phased in over a four-year period with assessment based on performance against set metrics, as well as contextual evidence submitted to a panel. Institutions will be rated on a three-point scale: meets expectations, excellent and outstanding, initially at institution level but with plans to move to discipline level in time. Once fully-fledged, providers will be able to increase their fees above the current cap at different rates, but not exceeding inflation. The core metrics will initially include retention rates, employment outcomes and satisfaction scores, with pilots to be undertaken to include new metrics including a measure of contact hours and teaching intensity and a highly-skilled employment metric. HEFCE is also exploring ways to measure learning gain in relation to core skills like problem solving and critical thinking.

The Government also announced its intention to publish longer-term information on employment outcomes via a Longitudinal

10 Competition and Markets Authority (CMA), 'UK higher education providers – advice on consumer protection law: helping you comply with your obligations', CMA33, 12th March 2015. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/428549/HE_providers_-_advice_on_consumer_protection_law.pdf (accessed 13th June 2016).

11 'Higher education: audit of providers' website information', *Which?* (October 2015). Available at <http://press.which.co.uk/wp-content/uploads/2015/10/Which-HE-investigation-audit-of-website-information-provision-23-October-2015-1.pdf> (accessed 13th June 2016).

12 Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523546/bis-16-265-success-as-a-knowledge-economy-web.pdf (accessed 13th June 2016).

Educational Outcomes dataset (LEO), enabling students and others to chart the transition of graduates from higher education to the workplace. A ‘Transparency Duty’ will require institutions to publish admissions, application information and retention information broken down by student characteristics to help meet ambitious social mobility targets.

These measures have the potential to unearth where the really good practice in the sector lies, to the benefit of students and other providers. However, there remain a fundamental set of issues that could significantly undermine its success.

Will students use it?

This is a real concern, and one that is not specific to higher education – government departments and regulators across all sectors will have queried how to get users to be more enquiring when making choices. Findings from BIS’s own research raise a number of doubts. Their applicant survey suggests that most students do not think that there is a problem with information, with just ten per cent saying that information on quality is not transparent and six in ten saying it is.¹³ Their qualitative research findings also find that, while students think the information would be useful, it probably wouldn’t change their choice.¹⁴ This is not news to most people. Research by *Which?* also found that many students do not draw on information at the time of making their choices, but it presents a challenge to the government’s proposals.¹⁵

13 Teaching quality in higher education: applicant and graduate views, BIS, 2016 Available at <https://www.gov.uk/government/publications/teaching-quality-in-higher-education-applicant-and-graduate-views> (accessed 13th June 2013).

14 Teaching quality in higher education: literature review and qualitative research, BIS, 2016 Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/524495/he-teaching-quality-literature-review-qualitative-research.pdf (accessed 13th June 2016).

15 ‘A degree of value’, *Which?*, op. cit.

Will we see variation?

The whole point of the TEF is to try and find out where the good and back practice lies, and weed out the bad, on the assumption that there is poorer teaching practice in parts of the sector. However, it appears that BIS have already crunched the numbers and aren't expecting to find hugely shocking findings. They predict a bell-shaped distribution with expectations that 20-30% will receive an 'Outstanding' rating and 50-60% 'Excellent'.¹⁶ This expectation also lies in the labels themselves, with the difference between 'Excellent' and 'Outstanding' indistinguishable to all but an expert eye. It's also a clear departure from the common, and more user-friendly, 'Good' and 'Excellent' used by Ofsted.

Will it drive quality improvements?

It could do, but only if it measures the right things. The core metrics are already available, and so there is a risk that they add nothing new. And concerns have been raised that measures like employment outcomes do not measure teaching quality, but are rather a reflection of students' existing abilities or different local labour market characteristics.¹⁷ It also needs to be available at department level, given evidence of varying quality between different departments;¹⁸ and there is also a risk that the incentives are not great enough to encourage institutions to strive for 'excellence'. The difference in uplift between those 'Meeting Expectations' and the higher award for those who are 'Excellent' or 'Outstanding' is just 50 per

16 Department for Business, Innovation, and Skills, 'Teaching Excellence Framework: Technical Consultation for Year Two', May 2016. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523340/bis-16-262-teaching-excellence-framework-techcon.pdf (accessed 13th June 2016).

17 G. Gibbs, 'Dimensions of Quality', Higher Education Academy, 2010. Available at https://www.heacademy.ac.uk/sites/default/files/dimensions_of_quality.pdf (accessed 13th June 2016).

18 J. McCormack, C. Propper, and S. Smith, 'Herding Cats? Management and university performance', CPMO. Available at <http://www.bristol.ac.uk/media-library/sites/cmpo/migrated/documents/wp308.pdf> (accessed 13th June 2016).

cent. This could equate to around £100 per student – is that enough of an incentive? Perhaps cumulatively. But we will also have to be prepared that those who don't have the resources to invest in better quality, possibly including many further education colleges who have received a poor overall financial settlement, potentially falling away.

Will it recognise diversity?

The government has stated that all the metrics will be benchmarked against demographic data in order to ensure that they more accurately reflect the quality of the institutions. However, will this be enough? Ofsted ratings have suffered from accusations that they favour certain types of provider. There have been concerns about potential bias towards free schools, and Ofsted's chief statistician has also been reported as having said that it is harder for schools with lower-ability intakes to gain 'good' or 'outstanding' judgements.¹⁹ Diversity also relates to discipline. The move to discipline-level ratings should help but only if discipline-level panels and experts are introduced who understand what excellence looks like at course level. And while there is currently no reference to use of earnings data, the White Paper does say that the TEF will draw on the new LEO dataset in time. This has potential risks for the arts and humanities if universities decide to no longer fund these courses.

Will it be costly?

Almost certainly. While there will be no cost to providers to apply, there will undoubtedly be swathes of new staff and TEF teams created at institution-level to support this. There will also be the cost of the various different panels,

¹⁹ E. Busby, 'Brighter pupils make getting top marks easier, Ofsted admits', *TES*, 21st November 2015. Available at <https://www.tes.com/news/school-news/breaking-news/exclusive-brighter-pupils-make-getting-top-ratings-easier-ofsted> (accessed 13th June 2016).

particularly when things move to subject and potentially postgraduate level. However, this needs to be weighed against the potential financial, and opportunity, costs to students, of making the wrong choice.

The next stage of development

Some of these challenges are not unique to the TEF. There is a long history of ratings in the wider education and health and social care sectors, both of which have experienced similar challenges and where regulators and providers have looked for ways to overcome them. This can provide useful insights for the TEF.²⁰ This is particularly the case for Ofsted where ratings have evolved from schools to wider education markets, including early years and further education, and where ratings are widely used by parents – 57 per cent use ratings when choosing their child’s school.²¹ The weight of Ofsted ratings is also evident from research which has found that a unit increase in ratings leads to a rise of half of one percent in local property prices.²²

In addressing the concerns raised about the TEF, the following are likely to be important:

Ratings available at a subject-level

This is the level that students make choices at and, given the likely variability in quality between departments, it will also be important to help drive quality improvements where

20 L. Darian, ‘Designing a teaching excellence framework: lessons from other sectors’, Occasional Paper 13, HEPI, 2016. Available at http://www.hepi.ac.uk/wp-content/uploads/2016/02/Hepi_Louisa-Darian.pdf (accessed 13th June 2016).

21 B. Francis and M. Hutchings, ‘Parent Power? Using money and information to boost children’s chances of educational success’, (Sutton Trust 2013). Available at <http://www.suttontrust.com/wp-content/uploads/2014/08/1parentpower-final.pdf> (accessed 13th June 2016).

22 I. Hussain, ‘Consumer Response to School Quality Information: Evidence From the Housing Market and Parents’ School Choice’ (University of Sussex, 2016). Available at <http://www.sole-jole.org/16502.pdf> (accessed 13th June 2016).

they are needed. The need for granular ratings has been recognised in other markets. For example, CQC award a rating for individual hospital departments, which equates to around 48 ratings for a single-site acute hospital. While it is the government's intention to move to discipline-level ratings this will not come into play until 2020-21 and all dependent on the findings from a pilot. In the interim, the Government could consider making ratings that have been applied by Professional Statutory and Regulatory bodies (PSRBs) more easily accessible. PSRBs currently apply a traffic-light red/amber/green rating to professional courses. These are published externally as league tables, but are not widely available to students.²³

The role of experts in developing ratings

In other sectors, there has been an increasing emphasis on including expert practitioners as part of the assessment process. Up until 2013, CQC inspection teams were made up of compliance inspectors rather than experts in the field. Ofsted is also increasingly employing inspectors directly, rather than outsourcing inspections to outside agencies. While the TEF will draw on the expert views of a panel, this expertise could become diluted with the possible move to subject-level ratings unless subject-level TEF panels are created. And yet this is likely to be important to drive quality improvements. For example, the British Academy has found that, in relation to the social sciences, an element of quantitative skills in the curricula is particularly important and yet widely variable.²⁴ With the eventual move to discipline ratings, the government should look to include subject experts.

23 F. Ross, 'Learning from other sectors: using the right end of the telescope' (HEPI, 2016). Available at <http://www.hepi.ac.uk/2016/03/01/learning-from-other-sectors-using-the-right-end-of-the-telescope/> (accessed 13th June 2016).

24 'Count us in: quantitative skills for a new generation' (British Academy, 2015).

Information is included in league tables

Research by *Which?* has found that students report that the general reputation of the university, and league table placement, are some of the most important types of information in assessing quality.²⁵ Research has also found that the impact of increased National Student Survey (NSS) scores on university applications is largely attributable to a university's position in league tables, because they are visible and readily available. In order to have the required effect, it will be important that the TEF is sufficiently weighted against other league table indicators, such as research excellence and degree outcomes.

TEF sits alongside a reformed Key Information Set (KIS)

This is in line with other sectors, where ratings in health and schools sit alongside a wider set of comparable information in NHS Choices and School Performance tables. And yet the Government has remained fairly quiet on wider KIS reforms. While the TEF may include information on teaching hours and intensity, it will also be important that students have comparable and disaggregated information on this, particularly as the TEF will have a voluntary component and will not initially be available at subject-level. This should also include information on total course costs, and better information on bursary support.

Metrics evolve based on the evidence

The development of metrics should be based on evidence about measures of teaching quality. It is right to include a measure of employment – after all, good teaching should promote skills for employment – but this should be a reasonable measure of whether someone is in work, or a graduate-level job, rather than a measure of earnings. The government's work to make better information available

25 'A degree of value', *Which?*, op. cit.

on earnings is a positive step towards supporting informed choice. But this should not form part of the TEF as it is not a valid measure of quality, but rather a reflection of individual preferences. If it does form part of the TEF, it risks threatening the diversity of courses that are currently available. The government should also look to include a measure of teaching qualifications in the TEF to drive enhancement at staff-level, and as a valid measure of the quality of what students are receiving.

The role for a visit?

In other markets, regulators draw on evidence from a visit, alongside metrics which include good outcomes data (missing in higher education). This is an opportunity to obtain richer evidence on the quality of what is actually being delivered, but also corroborate data where there are concerns about gaming.²⁶ This would come at a cost, but could be important. There is a question as to whether the role of external examiners could be expanded, or a new peer review process for teaching quality created, as recently suggested by Anthony Seldon, as part of this.²⁷

Adhering to these measures opens up potential for significant burden. And there is a real risk that other, poorer, proxies of quality-like degree outcomes will continue to be used by employers and students. Around 80 per cent of employers use a 2:1 and above as a cut-off as point as part of their recruitment practices.²⁸

26 See I. Hussain, 'Subjective Performance Evaluation in the Public Sector: Evidence from School Inspections', Centre for the Economics of Education, London School of Economics, CEE DP 135 (February 2012). Available at <http://cee.lse.ac.uk/ceedps/ceedp135.pdf> (accessed 16th June 2016).

27 A. Seldon and M. Davies, 'Solving the conundrum: Teaching and learning at British Universities' (SMF, 2016).

28 'The AGR Graduate recruitment survey 2013: Winter review' (Association of Graduate Recruiters, 2013). Available at http://www.agr.org.uk/write/Documents/Surveys/The_AGR_Graduate_Recruitment_Survey_2013_Winter_Review.pdf (accessed 13th June 2016).

There is also the possibility that introducing greater comparability in standards could remove the need for a TEF, while also promoting institutional autonomy and innovation – something that HEFCE is looking into, but which could be pursued more fervently.²⁹ While it would be difficult to establish comparability in standards across the whole sector, there may be merit in exploring ways to achieve comparability across institutions with similar profiles of students, much in line with the mission groups where they exist. These institutions could agree to protect standards within their own institutions, and to ensure reasonable comparability between them, in a similar vein to the existing external examining system but oversight by the QAA. Because these institutions compete for the same students, there would be an incentive upon them to keep standards intact.

All in all, the government and sector's progress on this issue should be celebrated. It has real potential to drive quality improvements if got right. There is detail to work through but, with a Bill in progress, and consultations underway, there is an opportunity to get this right.

This essay was originally published as part of a collection looking at the UK government's Higher Education and Research Bill 2016, entitled *Steps forward, steps backward: what to make of the government's plans for higher education reform*.

29 'Revised operating model for quality assessment', March 2016/03, HEFCE. Available at http://www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/2016/201603/HEFCE2016_03.pdf (accessed 13th June 2013).

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Steps forward, steps backward

What to make of the government's plans
for higher education market reform

edited by James Croft and Gabriel Heller-Sahlgren
Research report 8



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There has never been a period when higher education has faced so much turbulence and change as it does now, nor one for which both the sector and government is so ill-prepared.

The UK Higher Education sector is regarded as one of the best in the world, but in an increasingly global market-place, many suggest the signs are that it's beginning to look increasingly uncompetitive too. Across the system as a whole,

evidence of flexibility, creativity and sensitivity to consumer demand is patchy.

Policymakers are looking for more efficient, cost-effective ways of delivering higher-quality, and more relevant, higher education, and the English government has recently presented its view of the priorities in a new Higher Education and Research Bill. In this collection of essays, our panel of experts respond.