

# Higher education institutions and graduates competition

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## 1 Higher Education as a business

THE enrolments in higher education have been growing rapidly all over the World. There was an acceleration of the number of students at the turn of the century. From 100 million in the year 2000, it is now in the area of 200 million, corresponding to a rate of growth of more than 5% per year. The highest rates of growth are found in the Asia and Pacific region and in Sub-Saharan Africa, with values in excess of 8% . At the lower end, the European Union exhibits a rate of the order of 3% per year . This growth was associated with emergence of the phenomenon of transnational education or cross-border education, which became especially significant in middle of the 90's of the last century. Several modes of delivery of these higher education services may be identified: branch campuses, double or joint degrees, twinning and franchised programmes, validated programmes and distance and open learning . In addition to cross-border education, export of higher education includes the direct enrolment of students in domestic institutions. Countries with well-established higher education systems look for new opportunities of providing higher education internationally. The main exporters of higher education services are English speaking countries: the United States, the United Kingdom, Australia, Canada and New Zealand. In 2005, the export of education services by these countries represented more than 28000 million US\$, with half of that amount corresponding to the United States . In the academic year 2009/2010, the fees paid by foreign students in the United States were estimated as 13000 million US\$ The high demand for higher education had also the effect of inducing the emergence of low quality provision, namely in countries where facilities were limited. This includes national provision, often confronted with scarce resources, namely qualified teaching staff, cross-border provision, with the appearance of sham institutions, and programmes offered to foreign students from developing countries not recognized nationally. In developed countries, as in the European

Union, quality was an issue brought about by growth. With the number of institutions, public and private, increasing, most of the European countries was lead to develop some form of quality assurance in the 90's of the last century. Two decades later, quality assurance systems are significantly different from what they were at the outset. And, with the number of quality assurance agencies increasing, quality standards and an agency register were introduced to regulate the activity. Global rankings made their appearance this century, beginning with the designated Shanghai Ranking (Academic Ranking of World Universities), in 2003, and the Times Higher Education Ranking, in 2004 . Previous rankings were not global and were mainly developed in the United States. Rankings have the appeal of providing people with a comparison of Higher Education Institutions that is adequate to the simple, simplistic, message conveyed by the media. Quality assurance systems, being based upon more complex approaches that are not universal, cannot provide such messages. In 2011, in Paris, UNESCO, OECD and The World Bank organized a conference on Rankings and Accountability in Higher Education: Uses and misuses and at the end called the media to “ring a bell” on the potential harmful effects of rankings. In the European Union, the way chosen was to develop multirankings, giving the user the opportunity to choose the ranking criteria. The funding of higher education is viewed differently in different parts of the World. The share of costs between the national budgets, meaning all citizens through the taxes paid, and the students or their families, varies considerably from region to region. While Europe has had a tradition of State financed higher education, in the most countries of the Asian region it is mainly the students and the families that bear the costs. But the situation has been changing in Europe. With higher pressure on the budgets due to the number of students, the tendency to transfer costs from the national budget to the students or families is growing. This is done by either increasing fees, allowing for reduction or, at least, the control of the amount of public funding, or by controlling the number of student places funded and opening the way for private institutions that host the excess demand. This gives way to a type of private institution that is different from those that are created to provide high quality, expensive, elite programmes. Competition among higher education institutions increased, both nationally and internationally. And institutions become more business and funding criteria oriented and a part of the production of skills for the global market.

## **2 The European Higher Education Area**

The Bologna Declaration of 1999, leading to the Bologna Process and the European Higher Education Area, was signed at a moment when a number

of European countries were becoming aware of the insufficient capacity for Europe to compete in a global higher education market that was growing and becoming more competitive. In the light of the question raised in the previous section, four issues, relevant for the competitiveness of the European Higher Education Systems, were identified and are included in the text of the declaration: first, a set of comparable degrees; second, quality assurance; third employability; and fourth, a system of credits. The comparable degrees aimed at presenting a common image of European qualifications. The quality assurance was part the concerns that lead many European countries to create their national systems during the 90's. Employability, or employability oriented outcomes, was a preoccupation of governments, especially in those countries where universities were more traditional. And a system of credits, viewed as an approach to make the higher education systems and education paths more flexible and, therefore, more attractive. Not all promises of Bologna were fulfilled, but some issues surpassed the development that was imagined in 1999. Quality assurance is such a case. Competitiveness at global level, however, did not improve as direct a result of the process and the issues identified above. In fact, a secondary effect, the development of networks and associations of institutions, in a "coopetition" approach, has positive results, but probably the use of the English language has a greater impact. This is why many institutions are marketing their degrees in English, with the aim of creating an additional source of revenue, to compensate for funding limitations. With the adoption of the Framework for Qualifications of the European Higher Education Area in 2005 , learning outcomes became the official way of expressing what was expected as a result of the education process. Learning outcomes, being more closely related to the way competences required by employers are expressed, can create a common ground for communication and a contribution to identify the outcomes required to promote employability.

### **3 Employability and education**

With the growing number of graduates, they find themselves competing for jobs, especially for the more rewarding ones, be it financially, personally or both. This implies that employers have greater offer and, therefore, choose according to what they believe is the most adequate profile of competences. The most adequate may not be the same for all situations, as the labour market is not homogeneous and there are all sizes of enterprises, private and public sector organizations and so on. There is, however, a large common ground, as may be seen from studies carried out in various countries and by a range of institutions. A possible list of general attributes, therefore

not specific to the area of knowledge, is the following :

- imagination/creativity;
- adaptability/flexibility;
- willingness to learn;
- independent working/autonomy;
- working in a team;
- ability to manage others;
- ability to work under pressure;
- good oral communication;
- communication in writing for varied purposes/audiences;
- numeracy;
- attention to detail;
- time management;
- assumption of responsibility and for making decisions;
- planning, coordinating and organizing ability.

In addition to these attributes, it is essential for the graduate to master the knowledge and its application in his/her own field of education. But this is what traditionally higher education institutions are well prepared to do and do best. If higher education institutions aim at being able to develop in the graduates a set of competences and attitudes that will foster employability, these must be translated into the curriculum, as well as, in the whole learning environment, including the opportunities for students to embark in extra-curricular activities. Employability and competences are present in the discourse of higher education institutions and the reflection leading to programme development . However, if the competences for employability are important, the curricula must be designed to promote and develop the relevant ones. John Biggs coined the term constructive alignment to designate the coherence among learning outcomes, teaching and learning activities and assessment of students. The starting point is that students learn as a result of their activities. And what each student does depends on his/her motivation. Students may have intrinsic motivation to learn, but are often driven by what they are required to do in order to pass or get a good mark and, in the end, the diploma. A good mark is the

result of performing well at assessment. If the assessment is not aligned with the learning outcomes, then it does not motivate the student to learn what is necessary to achieve the defined outcomes, but only those implicit in the assessment. In conclusion, learning outcomes, teaching and learning activities and student assessment must be aligned if the outcomes are to be attained. Not all forms of assessment are adequate to specific learning outcomes. Decontextualised forms of assessment, such as sitting in exams, may be adequate to assess declarative knowledge, but are inadequate to assess performance and the capacity to apply knowledge in the solution of problems involving complex contexts.

## 4 Conclusion

Globalization and the growing demand for high level skills, with some help from funding limitations, are inducing changes in the way higher education institutions understand their missions and successes. Higher education institutions are progressively more market oriented, implying the need to develop in their graduates the type of competences that are appreciated in the labour market. Developing competences, namely generic ones, needed by any graduate in the labour market, requires that programmes and curricula are designed in a way that students are given the opportunity to develop them. Constructive alignment is such an approach. The last two decades have introduced very significant changes in the way higher education institutions are seen, what is expect from them by graduates and how they see themselves. This is a consequence globalization and competition at global and national level for institutions and graduates.