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<th>Title</th>
<th>The Future University and International Collaboration</th>
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<tr>
<td>Author(s)</td>
<td>Cannon, SJ</td>
</tr>
<tr>
<td>Citation</td>
<td>Global Education Dialogues: The East Asia Series, Ho Chi Minh City, Vietnam, 26-27 November 2013</td>
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<td>Rights</td>
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Graduates from UK Universities 1920-2011

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<td>25319</td>
<td>68150</td>
<td>14414</td>
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Reflections

• The Changing Policy Framework (UK)
  – The Golden Age
  – The Rise of the Manager
  – A Surrogate for the Market
  – The Primacy of the Market
The Golden Age
No need to manage

“The way in which funds have been provided has had critical implications for the need for management within individual higher education institutions. Tartly expressed, if funding is generous in relation to the task to be performed and if it is provided without a stiff accountability requirement, then those responsible for running an institution will not have to attend to the normal real-life management problem of getting the most out of resources and making and implementing, made choices about priorities. “

John Dearlove
The Rise of the Manager
• Severe reduction in state funding
• Complex organisations
• Jarratt Report
  – Links financial planning and academic planning
  – Vice-chancellor as CEO
• Increasing professionalisation of support services
A surrogate for the market
Accountability

“We do not believe there is an absolute principle that prevents the government, the funding council, or some other public body from attaching conditions to money given to a university …... the freedom of action of institutions will be circumscribed by the extent of their dependence on public funds”

“Whilst notions of freedom from the state are largely illusory, institutions of higher education in the United Kingdom have considerable freedom to manage their own affairs” (Sizer)
A practical bargain?

- Recognition that universities operate best when they operate independently of the state.
- The exact counter-balance to autonomy is accountability.
- The universities and funding councils have struck a practical bargain between the benefits of autonomy and the need for accountability.

*Lord Nolan (Committee on Standards in Public Life)*
“Our policy for higher education is we have no policy for higher education”
All change!
Economic

• Total income amounts to £1.7 billion
• HE sector comparable with computing services industry
• HEI export earnings amounted to over £159 million
• HEIs attract £446 million from rest of UK into Scotland
• HEIs employ 42,350 (36,800 ftes)
• HEIs generate 11,000 additional ‘knock on’ jobs
Overseas students and visitors

- Student and visitor off-campus expenditure estimated at £141 million
- Generating additional 2,000+ FTE jobs
- Additional export earnings are calculated at £142 million
Impact on local economy

• I&E multiplier is 1.4 (£10 produces another £4)
• £245m contribution to the local economy
• Employment multiplier is 1.5 (2 University jobs = 1 other job)
• 3,000 employees create an additional 1,400 jobs largely in shops, restaurants, transport, housing, schools and the health service
“Higher education is too important to be left to itself”

Roderick Floud: London Metropolitan University
The primacy of the market

- Introduction of student fees
- Student number intakes relaxed
- The state is looking to corporate governance models from the private sector to secure accountability and performance in the public sector
Changing roles

- Changing role of the state from facilitator to evaluator to regulator
- Once the role of government to provide for universities and colleges
- Now the role of universities and colleges to provide for governments
- Increased funding only provided on a “something for something basis”
- Government looks to universities to provide ulterior goals i.e. HE is a means to an end
World rankings

- Shanghai Jiao Tong (2003)
  - Super league of world class universities
  - Intense competition for talent and prestige
  - Governments are obsessed with producing ivy leagues
  - The great universities of the 19th Century were shaped by nationalism; the great universities of today are being shaped by globalisation
Characteristics

- International academic market place
- Global academic currency
- Global labour force
- Global language
- Speed and ease of communication
- Common Platforms
- Universities are citizens of a global economy sending their best graduates to work for multinational companies
### QS World Rankings 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Institution</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Massachusetts Institute of Technology (MIT)</td>
<td>USA</td>
</tr>
<tr>
<td>2</td>
<td>Harvard University</td>
<td>USA</td>
</tr>
<tr>
<td>3</td>
<td>University of Cambridge</td>
<td>UK</td>
</tr>
<tr>
<td>4</td>
<td>UCL (University College London)</td>
<td>UK</td>
</tr>
<tr>
<td>5</td>
<td>Imperial College London</td>
<td>UK</td>
</tr>
<tr>
<td>6</td>
<td>University of Oxford</td>
<td>UK</td>
</tr>
<tr>
<td>7</td>
<td>Stanford University</td>
<td>USA</td>
</tr>
<tr>
<td>8</td>
<td>Yale University</td>
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<tr>
<td>9</td>
<td>University of Chicago</td>
<td>USA</td>
</tr>
<tr>
<td>10</td>
<td>California Institute of Technology (Caltech)</td>
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</tr>
<tr>
<td>10</td>
<td>Princeton University</td>
<td>USA</td>
</tr>
<tr>
<td>12</td>
<td>ETH Zurich (Swiss Federal Institute of Technology)</td>
<td>Switzerland</td>
</tr>
<tr>
<td>13</td>
<td>University of Pennsylvania</td>
<td>USA</td>
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<td>Columbia University</td>
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<tr>
<td>15</td>
<td>Cornell University</td>
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<tr>
<td>16</td>
<td>John Hopkins University</td>
<td>USA</td>
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<td>17</td>
<td>University of Edinburgh</td>
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<td>19</td>
<td>Ecole Polytechnique Federale de Lausanne</td>
<td>Switzerland</td>
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<tr>
<td>19</td>
<td>Kings College London (KLC)</td>
<td>UK</td>
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<td>21</td>
<td>University of Michigan</td>
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<td>McGill University</td>
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<tr>
<td>23</td>
<td>Duke University</td>
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<tr>
<td>24</td>
<td>National University of Singapore (NUS)</td>
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<tr>
<td>25</td>
<td>University of California, Berkeley (UCB)</td>
<td>USA</td>
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<tr>
<td>26</td>
<td>University of Hong Kong</td>
<td>HK</td>
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<tr>
<td>28</td>
<td>Ecole normale superieure, Paris</td>
<td>France</td>
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<td>Northwestern University</td>
<td>USA</td>
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<tr>
<td>30</td>
<td>University of Bristol</td>
<td>UK</td>
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</table>
US Pre-eminence

- Monopoly of the World’s best institutions
- Meets the access challenge
- Why?
  - Less dependence on the state
  - Diversified income sources
  - Intense competition
  - “let a thousand academic flowers bloom”
  - It’s ok to be useful
  - Full spectrum - “New Model”
  - Global strategies
Hong Kong

• QS 2013
  – Hong Kong University (26)
  – Hong Kong University of Science and Technology (34)
  – Chinese University of Hong Kong (39)
  – City University of Hong Kong (104)
  – Hong Kong Polytechnic University (161)

• Hong Kong universities outperform all others given level of state support

• Move to a 4 year degree – 1000 new faculty

• Explicit (and funded) commitment to internationalise
World class counts

- University of Chicago
  - Over half of the 55 noble prize winners in economics either worked or trained at Chicago
- MIT’s Lincoln Laboratory
  - 2,400 employees $450m annual research spend
- Stanford
  - Google, Yahoo, Cisco, Sun Microsystems
- University of Texas at Austin
  - High tech cluster with 1,700 companies employing over 100,000 people
- Boston
  - In 2000, 8 research universities provided a $7.4b boost to the regions economy generating 264 patents and 280 spin outs
International faculty

- US recruits more foreign PhD students than the rest of the OECD put together
- 66% of these remain in the US
- Only 2% of academics in France are foreign born
- 7% of newly hired professors in US are alumni of the institution in which they teach
- In France the figure is 50% and in Spain 95%
- Spain has no university in QS top 100, France has 1
Developing World

• The Far East
  – Singapore
• China
• India
• Latin America
• Africa
  – Dubai – Knowledge Village
  – Mauritius – a sub Saharan education hub
  – South Africa
Why internationalise?

- Improve student preparedness
- Internationalise the curriculum
- Enhance the international profile of the institution
- Strengthen research and knowledge production
- Diversify faculty and staff

(Marmolejo 2012)
Why it matters for institutions

- Increase national and international visibility
- Leverage institutional strengths through strategic partnerships
- Enlarge the academic community within which to benchmark their activities
- Mobilise internal intellectual resources
- Enhance the student experience
- Develop stronger research groups

(OECD 2012)
Why it matters for governments

• Develop national university systems within a broader global framework
• Produce a skilled workforce with global awareness and multi-cultural competencies
• Use public higher education funds to promote national participation in the global knowledge economy
• Benefit from the trade in education services

(OECD 2012)
Challenges

• Make money
• Enhance prestige and status
• Move up the rankings
Challenges

• But in the context of the challenges we now face should we all continue to strive to internationalize

• 16,000 universities all aiming to be in the World’s top 200
Challenges

• Challenge 1  Over budget and underfunded
  – As funding declines, cost management is the key
• Challenge 2  The rivalry intensifies
  – Competition to attract the best students heats up
• Challenge 3  Setting priorities
  – The danger of making decisions in the dark
Challenges (cont’d)

• Challenge 4  Moving at the speed of cyberspace
  – Technology upgrades are needed across the board

• Challenge 5  Rethinking infrastructure
  – A renewed focus on asset optimisation
Challenges (cont’d)

- **Challenge 6** Linking programs to outcomes
  - Where training and market demand intersect
- **Challenge 7** The best and the brightest
  - Attracting and retaining talented faculty
- **Challenge 8** A sustainable future
  - Enhancing environmental performance
Challenges (cont’d)

• Challenge 9 Education for all
  – Tackling, diversity, accessibility and affordability

• Challenge 10 Regulations and reporting
  – New responsibilities require better disclosure
Four Solutions

– Revenue growth
– Operating margins
– Asset efficiency
– Expectations and strength
Solution 1
Funding and revenue growth

– Incorporate an operational element into strategic planning to ensure a focus on the highest priority issues

– Streamline the governance process to empower stakeholders to quickly make informed budgetary and research allocation decisions
Funding and revenue growth (cont’d)

- Clearly define roles, responsibilities and accountabilities
- Improve information tracking to better measure and report on program outcomes
- Explore innovative public-private partnership opportunities
- Enhance institutional brands in an effort to attract additional private investment
Funding and revenue growth (cont’d)

– Leverage social media and other online forms of ongoing communication to establish and maintain relationships with students, parents and alumni
– Improve tracking of research income
– Consider globalisation strategies.
Solution 2
Reduce operating margins

– Implement and/or leverage technologies designed to streamline core business processes, such as student services, research, finance, administration, human resources and procurement

– Engage in more sophisticated planning and forecasting
Reduce operating margins (cont’d)

- Pinpoint opportunities to share services and outsource non-core functions
- Eliminate program redundancies and inefficient processes.
Solution 3
Improve asset efficiency

- Engage in talent management strategies to attract and retain the highest calibre faculty
- Streamline procurement and sourcing to optimize the supply chain
- Review regional delivery models to eliminate program duplication and pursue consolidation where it makes sense
Improve asset efficiency (cont’d)

– Extend access to their programs through initiatives like distance learning and online education
– Identify and target optimal student populations
– Engage in sustainability initiatives to improve energy utilization, reduce waste and identify ancillary opportunities to cut costs and improve performance
– Rationalize IT and real estate portfolios.
Solution 4
Manage expectations and strengths

- Improve information management and data analytics to identify areas of competitive differentiation
- Solicit opinions from outside the education sector
- Leverage technological innovation to better engage students and improve services
Manage expectations and strengths (cont’d)

– Revisit existing strategies and processes with an eye towards identifying areas for improvement
– Benchmark against competitive institutions
– Share best practices
1 Shared set of values

- A respect for academic success
- World-class excellence is the only acceptable benchmark
- Mutually supportive formal and informal relationships at all levels between departments, schools and the centre
- An acceptance that academic initiatives cannot be programmed and that decision-making in such matters will be untidy
1 Shared set of values (cont’d)

– A belief that decisions are best made openly and if possibly quickly and that the smaller a university’s ‘turning cycle’, or the quickest its response time the more effective it will be in its external relationships

– A respect for good financial management, both as a means of facilitating academic initiative and as a means of ensuring accountability throughout the institution
1 Shared set of values

- A conviction that really good ideas will always attract funding from somewhere
- A belief that attack is the best form of defense and that optimism, some risk taking and a willingness to attempt new things represents a better policy than caution cut backs and academic conservatism
Thank you