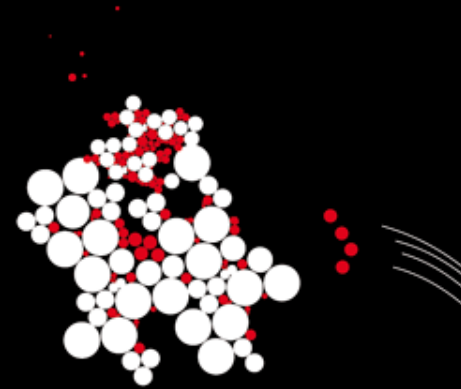


UNIVERSITY OF TWENTE.

Quality-related funding, performance agreements and profiling in HE

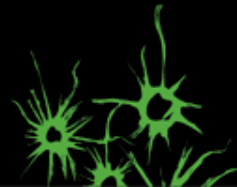


An international comparative study



Project for MinOCW

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Melbourne, LH Martin Institute
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DIVERSITY, DIFFERENTIATION & PROFILING

- Diversity & differentiation have a long history in HE
 - Trow, Birnbaum, Meek, Goedegebuure, Huisman, Reichert, ...
Many forms of diversity:
 - System, structural, programmatic, procedural, reputational, constituential, value & climate, funding, organisational (managerial)
 - But did diversity increase in times of massification??

- New dimension: diversity used as **profiling** mechanism to serve
 - National and university strategies
 - New target groups
 - Employability of graduates
 - Reduce overlap and isomorphism (increase specialisation?)

EXAMPLE: THE NETHERLANDS

2010: Committee Future Sustainability of Dutch HE

Threefold differentiation

for the sake of quality
and diversity in
higher education

- Increase in participation & ambition of top-5 knowledge economy → analysis of strengths and weaknesses of Dutch HE
 - Too little diversity: part-time education, lifelong learning, minorities, ...
 - High drop-out, no eye for excellence, no commitment: talents underused
- Remedies:
 - More variety in types of programmes; more flexible learning routes, selection and profiling: get the right student at the right place

DUTCH DISCUSSION: PROFILING

- How to stimulate increased differentiation for a more diverse student population and labour market?
 - Dimensions for diversity?
 - U-MAP (teaching profile, student profile, research, valorisation, internationalisation, regional embeddedness)
 - Sectoral approach?
 - Who in charge? Ministry or HEIs?
- CHEPS study on quality-related funding & profiling**
- National Commission on Profiling and Funding
 - Ministry's strategic agenda: QUALITY IN DIVERSITY
 - Performance agreements from 2012 onwards!!**

GENERAL OBSERVATIONS

- Many countries struggle to find a right steering mechanism to enhance quality, diversity, profiling and performance
 - Difficult to balance between national and institutional priorities and objectives
 - A strong state steering position helps on clarity and “role adherence”

- Quality-related funding
 - Quality important theme in many countries but linked to funding in only a few
 - Tension between a transparent monitoring and evaluation framework and validity of performance indicators
 - But development towards more nuanced indicator sets on quality though achievements not always in control of institutions
 - Groups of institutions try to manipulate the situation
 - Sweden and Finland relate quality outcomes to funding

DENMARK

- Focus on quality, merger and interaction

- Performance agreements: Development Contracts
 - Multidimensional monitoring system (since 2004 quantitative targets)
 - Only since 2008 try to link performance to funding, but contracts still more or less a “letter of intent”
 - Institutional priority areas including societal needs (brought in by ministry)
 - Review: contracts not effective, more accountability, some HEIs used it for profiling, MAKE IT MORE GOAL SETTING
 - Competitive funding fails to strengthen expertise, only rewards priority areas
 - Institutions more transparent and strategic

ENGLAND

- Most quality orientation in the area of research: RAE

- Quality-related funding
 - Budget cuts aggravated lobby of mission groups
 - All seek access to discretionary funds
 - Most profiling initiatives formula based: all go in similar direction and support the traditionally strong
 - Other profiling initiatives strand on their implementation
 - e.g. CETLs experience where concepts of “business facing” and “teaching-intensive” and “innovation learning” were redefined; too much focus on competition (strong institutions), no realistic targets, focus on infrastructure not on content
 - Stopping subsidies kills the development

FINLAND

- University act 2010: uni's independent, focus on quality, intensify agreements

- Agreement negotiations
 - From annual to 4-yearly negotiations with intermediary monitoring
 - Central are tasks, profile and priority areas of HEI in view of national priorities
 - Five performance areas: studies, pg education, R&D&I, Internationalisation, social impact: performance indicators and targets
 - Indicators partially used in funding mechanism: e.g. in strategic fund (6%) in universities
 - In polytechnics small performance based budget for those most successful on performance indicators

GERMANY

- Different systems in different *Länder*
- Ziel- und Leistungsvereinbahrungen
 - Wish for diversity and performance
 - State often not strong enough to differentiate
 - Agreements cover too much, too vague, too little money involved
 - Multiannual protection against change
 - But ... more transparent dialogue
- Excellence Initiative
 - Only 15% of institutions: substantial subsidies
 - Dynamics, self-awareness, strategy development
 - Fears about when the money stops (sustainable infrastructure?)

HONG KONG

- Small HE system, strong government, performance based research funding

- Performance and Role-related Funding Scheme (PRFS)
 - 10% of recurrent funds linked to role-adherence
 - Assessment Panel evaluates role adherence: strategy, scholarship, teaching & learning, community, administration, partnerships
 - Define own criteria / indicators, validity, accepted, evaluated
 - Include benchmarks
 - Academic Development Proposals
 - Together accepted, mechanical implementation

The NETHERLANDS

- From September 2012: performance agreements:
 - Ministry – individual HEI's
 - Quality, profiling, diversity, market relevance
 - 7% of teaching budget (m€310) based on performance (5% / 2%)
 - M€90 for research excellence (extra investments)
 - Test-phase: evaluation in 2015; in 2020 performance budget 20%
 - Independent review committee (Frans van Vught / CHEPS / ...)
 - **Fixed indicators (5%)**: excellence tracks; dropout; ba-success; switch; teacher quality; teaching intensity
 - **Profile indicators (2%)**: coherent ambitions; relation to employers; related to U-Map dimensions; didactical profile; national research priorities;
 - Proposal to be agreed by Review Committee

NEW ZEALAND

- Diverse student population requires diverse treatments
- Tertiary Education Commission (TEC) negotiates strategic directions and priorities
 - 3-year planning periods with priority areas: access, organisation, quality
 - Per priority area impact measures defined to make HEIs profile themselves in priority areas
 - In volume and quality, efficiency and (regional) stakeholder involvement
 - Looks like all HEIs have to do the same

NORWAY

- Diverse system, strong regional emphasis and problems
- Strong quality initiatives
 - Colleges can become universities: more masters, more homogeneity
 - Strong emphasis on regional role
 - Best to organise through large merged institutions
 - Mergers only were organised after a strong committee report that was critical about HE
 - Particularly internal diversity is stimulated
- Centres of Excellence (based on research)
 - More diversity by stronger universities, also with lot of private collaboration to become “world class”

SWEDEN

- Greater autonomy and special public status for HEIs
 - Sceptic as they believed ministry was a good organiser
 - Funding also based on performance: under and over performance punished/not rewarded

- In 2010 a new quality evaluation system
 - From 2010 1,5% of budget quality-related (taken from operational budget)
 - Only those with best evaluation scores get funds
 - Criteria: master theses, self evaluation, visit and alumni experiences

- Plan to introduce multi-annual contracts from 2011 onwards
 - Still hanging issue

AUSTRALIA

- Target agreements
 - Target agreements consist of Indicator Framework: 4 categories, 12 indicators
 - participation, experience, attainment, outcomes
 - Wish for more flexible indicators and less stress on indicators beyond control of HEIs

- Performance agreements: Mission Based Compacts
 - Holistic strategic framework to align with government priorities (region, growth, SES, ...)
 - Also linked to funding and Indicator Framework
 - 41 negotiations show willingness of HEIs to grow
 - Generic targets push for uniformity
 - Additional targets require extra investments

THANK YOU FOR YOUR ATTENTION !

QUESTIONS ?

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