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Universities’ strength is in their relationships, relevance and impact

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Australia’s southern states have hit peak winter, straining energy networks and dusting ski fields with acres of fresh snow. For university leaders, it might feel more like the bright early days of spring. Universities Australia’s annual conference beckons, there is a new administration in Canberra to engage, and new data confirms the slow but steady renewal in the international market.

Spring is a time to reassess and reset with the prospect of brighter days ahead. There is no shortage of geopolitical and macro-economic risks on the horizon but as I wrote in my recently published report, The Decade Ahead: How Australian Universities are Positioned for the Post-Covid Rebound, the underlying drivers of higher education demand point to a positive decade ahead.

University leaders and their governing bodies have a series of questions to grapple with as they reflect on their settings for the years ahead. How has their institution come through the pandemic? How well positioned are they to capitalise on the opportunities ahead and avert the risks? Where should they focus investment – of leaders’ time, funding and organisational resources?

In The Decade Ahead report, I elaborated six drivers of post-pandemic success and offered a set of questions for university leaders to consider. In this article I address the middle layer of the framework: community and students, the heart of a university.

The pandemic may have emptied campuses for months on end, but it also reinforced the importance of place to a thriving university. Universities’ strength comes from their relationships, relevance and impact in their community. Universities have community, campus and stakeholder connections that are difficult to measure using publicly-available data. We derive a community metric based on equity and Indigenous participation ratios and the percentage of load in programs ranked number one or two in the market based on size and growth rates.

The latter indicator echoes the maxim made famous by Jack Welch, former CEO of General Electric: 'we're either first or second or we exit'. Welch built a whole strategy around this principle, selling parts of General Electric's portfolio that did not measure up.

How does this relate to universities and their position within their community?

In a competitive market, organisations' third or lower in the pecking order are price and market share 'takers'. They get what is left by those at the top of the market. This was a major factor in the struggles of lower tier universities in the years after the introduction of the demand-driven system. Universities at the top of state markets had the incentive and reputation to take share in programs like business and commerce. Lower tier universities lost share and pricing power in the international market. Several nearly failed to see out the decade.

A community indicator that includes the proportion of load in programs number one or two in the market may favour universities like the University of Tasmania and Charles Darwin University, which have limited state-based competition, but this is appropriate. Universities in cities like Melbourne, Sydney and Brisbane with multiple competitors need to work harder to create distinctive strengths in their academic program to avoid long-term declines in student demand and financial performance.

The second driver of the post-Covid rebound for consideration today is 'students'. Covid triggered the greatest disruption to student experience in living memory, particularly for school leaver students in locked-down cities.

Even for universities in states with few lockdowns, the way students interact with academics, attend class, manage their studies, and engage on campus has shifted dramatically. Some aspects of pre-Covid student life will reassert themselves, notably the desire of school leavers for a vibrant campus life experience with their peers. Many students, however, will now come to university – whether virtually or in person – with a new set of expectations.

We derive our student metric as a composite measure based on student experience, graduate satisfaction, employment outcomes, employer satisfaction, attrition and completion rates. The national leader on our aggregate measure is the University of Notre Dame, one of Australia's smallest universities.

We see notable performers across each of the underlying indicators. The leaders in student experience in 2020 were Edith Cowan University and the University of New England, both of whom recorded 2020 student experience ratings close to their 2019 results, while most of the rest of the sector declined significantly.

Edith Cowan and Notre Dame deliver most of their programs on campus, while New England teaches most of its courses online. How did these institutions adapt their learning and teaching and student engagement during the pandemic? Which changes have been well received by students and offer lessons learned for other institutions in a post-pandemic environment?

If we look at completion rates and attrition, we see a top ten dominated by Group of Eight institutions. Group of Eight universities attract high ATAR students with established study skills, motivation and frequently with the resources of middle-to-higher income families. The national top ten on this indicator also includes the University of Technology Sydney and RMIT University, institutions with a different student profile. What do they do differently to match the Group of Eight on completion rates and attrition?

Group of Eight universities have many natural advantages but a range of institutions rate highly on each of our drivers of success: small, regional universities; technology-focused metropolitan institutions; and mid-sized unaffiliated organisations.

In his 2017 book "The Australian Idea of a University", Glyn Davis argued for a diverse higher education sector characterised by experimentation and innovation. As Professor Davis takes on a new role, the data suggests we are heading in that direction.

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