

When 'good' is not good enough...

Why changing market dynamics have created an ever more demanding student population...

The rise of the student "voice" in the higher education sector is well documented and it is easy to map the rising tendency for complaint and threat of litigation (if not litigation itself) in higher education.

While it is inevitable that the dynamics of tuition fees, where charged, will adjust stakeholders' perceptions of the relative value of the choices they make, but is that all that's going on?

NOT REALLY

The situation is the result of a mix of social change, shifts in attitude and expectations that have forced increased complexity in decision making for both students and the institutions to which they apply.

DRIVERS FOR CHANGE...

The drivers for these changes include:

- An unparalleled growth in the service sector, a trend set to continue and a predictable byproduct of increased disposable income and leisure time in the developed world.
- The increased sense of ubiquity that this can bring to stakeholders' perceptions of what is and isn't an acceptable service level, across a wide variety of service providers (for example, whether financial services, T and L delivery, product purchase plus expectations of "after sales service").
- A more competitive sector which intensifies the potential power (and necessity) of an organisation's positive reputation.
- Increased accountability: i.e. organisations must be more open in their processes. This renders them subject to intensified public scrutiny.
- This, in turn, dramatically increases the volume of available information through which stakeholders may more easily make active comparisons of one organisation (and stakeholders' experiences of it) and another.

■ As a by-product, it becomes advantageous for organisations to more effectively differentiate themselves from each other. This enables stakeholders to choose between them and raises expectations among prospects, which may, or may not, be met.

■ Stakeholder decision-making becomes increasingly complex, as factors such as a raised sense of investment, "peer endorsement" of choice, active comparison and the pre- and post choice evaluation of any decisions made are added to the mix.

Three critical areas exist where change has occurred in relations between the organisation, its stakeholders and the mutual decision-making processes. These can be identified as:

- [1] Added complexity (over time) in choice processes for both stakeholder and organisation.
- [2] The relative part played by "service" or "service delivery" in offerings such as a degree course or learning programme.
- [3] The role of the "psychological contract" between student stakeholder and organisation.

[1] COMPLEX CHOICE PROCESSES

Increased information and increasing "ease of comparison" has changed decision-making about entrance to higher education for both students and organisations.

In simple terms, up to 25 years ago, a proportion of publicly funded higher education organisations may have been able to describe themselves as "admitting" rather than "recruiting" institutions: i.e., in a seller's rather than a buyer's market. Decision making on both sides (within the obvious criteria) was relatively straightforward.

Within the last ten years, the process has become more complex, as additional factors play an increasingly influential part in the choice process.

These factors are not prescriptive, of course, and are not displayed equally at all organisations, but can be mapped as supplementary stages in the "text book" decision making cycle:

- [1] Candidates recognise a need to go on to higher education.
- [2] This is increasingly modulated by additional wants/desires: i.e. informed by peer comparison, expert third party guidance and the wealth of much more readily available information.
- [3] This generates more highly developed expectations which are informed by both communications from, and tangible experience of, the organisation within the context of other providers.
- [4] Pre-choice evaluation becomes more rigorous (more information is available; comparisons are actively encouraged across a wide range of variables and factors.
- [5] The organisation and the stakeholders engage in a process of mutual evaluation.
- [6] A final choice is made on both sides and the period of post-choice evaluation begins: does the delivery match up to the promises made to the student and the expectations generated? It is at this point that the increasingly "rights aware" student body may decide that, for whatever reason, the service delivered by the organisation is simply not of the level that they believe they were led to expect, and complaints may follow.

[2] 'SERVICE' AS A COMPONENT OF DEGREE OR LEARNING PROGRAMMES

More and more of the choices we make in our lives are determined by how much of the product or service "offer" is composed of:

- [A] Tangible delivery or product (i.e. the "nuts and bolts" of what we have chosen).
- [B] The less tangible, but equally important, elements of "service" that are associated with it. For example, in practical terms, for example, "after sales service" or guarantees if things go wrong.

In a service-driven and service-aware world, the ratio between these two components increases the greater the financial and emotional investment.

Critical issues such as study destination and learning style are, inevitably, bundled with a high service quotient which drives expectations, and a demand for the fulfilment of these, at an increasingly high level.

[3] THE PSYCHOLOGICAL CONTRACT BETWEEN STAKEHOLDER AND ORGANISATION

There is a reciprocal agreement or understanding that forms the psychological contract between an organisation and its key stakeholders, for example, students. In higher education, this may often be articulated through written agreements or published "contracts". The basis of the psychological contract, however, is centred on each party's understanding of their mutual obligations, based on three components:

- [1] An individual's belief about the terms of the reciprocal "exchange agreement" between themselves and their institution.
- [2] Beliefs about promises on future obligations.
- [3] Beliefs, expectations and promises which may be conveyed through institutional practices and policies communicated by the organisation and demonstrated in its culture or *modus operandi*.

Problems and disenfranchisement occur when students feel that there is a breach of the component parts of this agreement. For example:

- A student's perception that the institution has failed to meet one or more obligations of their psychological contract.
- When the organisation's part of the mutual "equation" or agreement fails to deliver.

Obviously, this can create a flood of problems for the organisation. The response to the recent pay dispute is a case in point.

TOUGH TIMES AHEAD

Within such a context, we cannot be surprised that complaints are on the rise, the need is to be both responsive to problems but proactive in anticipating difficulties and their triggers.

An awareness of the drivers behind the trend is now beginning to help some organisations deliver a real difference in a very tough arena.

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