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Managing performance anxiety

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Simon Birmingham is committed to performance-based funding. Under his proposed model, \$500 million of core funding could be reallocated to universities that perform well on student satisfaction, retention and graduate outcome measures. Opposition to the proposal has emphasised the risks to institutional funding and planning. A broader risk to student equity also must be addressed.

Performance-based funding raises two problematic questions: what should be measured, and how? The recent development in Britain of the Teaching Excellence Framework, which is designed to measure student satisfaction, retention, and graduate outcomes, provides a guide to the first question.

Is student satisfaction a performance outcome in itself or simply a leading indicator of student retention? Perhaps it is not even that. Numerous international studies have shown that satisfaction with teaching quality is correlated with the gender and ethnicity of lecturers. Male academics are seen as authoritative where female lecturers are seen as aggressive. It is extremely difficult to control for students' gender and ethnic biases when measuring teaching satisfaction.

Student retention should be a less controversial metric. The challenge again, though, is to distinguish performance from outcomes. The selective Group of Eight universities record high student retention rates. They also enrol many students who are relatively affluent school-leavers with a high Australian Tertiary Admission Rank, most of whom are studying full time and on campus. These factors are all correlated with retention. Such universities may be teaching well, but it is hard to know. The government will not want to reward outcomes that simply reflect student inputs.

Leading retention rates

Uni	3-year average	<i>Adjusted target (%)</i>	
		Target	Change
UoW	84.32	77.60	6.72
JCU	75.25	69.17	6.08
Monash	86.53	81.57	4.96
UWA	86.55	82.41	4.13
UoN	82.09	78.06	4.03
UNSW	86.48	82.63	3.86
Melb	85.15	81.88	3.27
Sydney	85.99	82.92	3.07
UQ	83.87	80.82	3.05
CQU	70.51	67.85	2.66

Source: La Trobe University

Relying on graduate outcomes is also problematic. Employment outcomes are affected by factors such as geography, macro-economic conditions, employer bias and the specific courses in which students are enrolled. As the British government has found, controlling for these factors gets complicated quickly. Britain is adjusting outcomes by field of education, student age and prior academic attainment, including secondary school results of students. This process alone leads to extremely complex calculations.

There are also potential inconsistencies within a performance-based model. Some factors correlated with poor retention are paradoxically correlated with good employment outcomes. Being enrolled in distance education or part time is linked to attrition but also, conversely, to better employment outcomes. How would a model account for such a dilemma?

Beyond these logistical issues lie philosophical ones. The age of students, their mode of enrolment, field of education and basis of admission all affect retention and graduate outcomes. Yet the government may not wish to control for all of these factors. Should universities that enrol large numbers of online students be compensated for their predicted higher attrition rates?

The likeliest agreed factors for control will be around student equity. Students from the five main equity groups all record lower than average retention rates. Yet nobody wants students potentially rejected at enrolment because of poverty, regionality, ethnicity, disability or indigeneity.

We examined each university's three-year retention rates and imagined their likely performance targets if adjusted for student equity. We adjusted targets based on each university's enrolments of the two largest equity groups, regional and low socio-economic students.

Results revealed much diversity among higher-performing universities. The Go8 remained strongest. This strength is partly because of students' age, full-time status and on-campus enrolment but also because of ATAR. We have limited data on these factors. We don't know, for example, the average age or ATAR of students across each institution.

A lot more maths will be required, along with more philosophy and politics. Student equity should be paramount but could easily be threatened if incomplete or unhelpful metrics are adopted.

Politically, the government also could reduce fears of a snowballing negative impact. Current proposals suggest that funds will be withheld from losing universities and redirected to the performance winners, new equity measures, or additional research funding. Initially, another option may be to return some of the funding with strings attached rather than withhold it. This would be a remedial rather than punitive approach. Non-performing universities could be directed to expand their mentoring and other initiatives required to improve student outcomes. A related political compromise would be to restore the enabling program loading to provide universities with more pathway options for underprepared students.

Whatever the outcome of reform proposals, an expansion of performance-based funding seems likely. The sector will need strong advocacy to protect student equity and ensure a supportive rather than punitive model.

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