

CAUT Education Review

Performance-Based Funding in Higher Education

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Introduction

In May 2019, the Ontario government made a surprising announcement that by 2024-25, 60% of Ontario universities' operating funds would be determined by their performance on 10 metrics. This marks a drastic departure from the current 1.4% for Ontario universities and Canadian university funding models in general. The Alberta government is following suit, recently promising to "measure labour market outcomes of post-secondary programs to identify the correlation between provincial subsidies and economic returns for taxpayers."¹

While concern over the use and abuse of performance indicators in higher education is not new to Canadian universities,^{2,3} what sets this current moment apart is the recently unveiled plans to base a significant proportion of universities' annual operating funds on their performance on various measures rather than on enrollment. These developments are of growing concern to Canadian universities who have been until now largely spared from the perils of such performance-based funding models. With this shift in policy, the current post-secondary funding landscape is set to change in the next few years as more provinces potentially follow Ontario and Alberta's lead. To be clear, the collection of

system-wide data is not a bad idea on its own. When performance-based funding becomes as high-stakes as it is with the current Ontario plan and pending Alberta proposition, however, it runs the real danger of skewing university programs and perverting the very objects it set out to measure through over-emphasis and, frankly, "gaming" of one sort or another.

A closer look at Ontario's plan

Under the Ontario plan, by 2024, 60% of a university's total operating funds will be tied to their performance on ten metrics. According to the government, six of the metrics are related to skills and job outcomes:

- Graduate earnings;
- Number and proportion of graduates in programs with experiential learning;
- Skills and competencies related metric;
- Proportion of graduates employed full-time in a related or partially-related field;
- Proportion of students in a university identified area of strength; and,
- Graduation rate.

1. Graney, E. "UCP prepares to roll out Ford-flavoured post-secondary changes in Alberta," *Edmonton Journal*, 2019. Accessed online 2 October 2019: <https://edmontonjournal.com/news/politics/ucp-prepares-to-roll-out-ford-flavoured-post-secondary-changes-in-alberta>

2. Bruneau, William and Savage, Donald C. *Counting Out The Scholars: The Case Against Performance Indicators in Higher Education*, Lorimer, 2002.

3. Gingras, Yves. *Bibliometrics and Research Evaluation: Uses and Abuses*. MIT Press, 2016.

Four of the metrics are related to economic and community impact:

- Research funding & capacity (total and share of funding from Tri-Council);
- Innovation – Research funding from industry sources;
- Community/local impact – Student population as a proportion of local population; and,
- Institution-specific measure of economic impact.

Metric selection is not a neutral act and tying a significant proportion of funding to any specific set of metrics will invariably place undue pressure on universities to favour and conform to that specific set of metrics, thus impinging on their traditional mission of educating people, not just workers, and contributing to social and economic development. It also impinges on collegial governance and institutional autonomy, as universities are democratic institutions that should be free from state and corporate interests. This point is clearly made by examining even a few of Ontario's proposed measures. For example, by focusing on "Graduate earnings" universities are rewarded for favouring high-paying fields, rather than developing graduates who are critical and creative, participatory citizens capable of meaningful work (and lives) in a wide-diversity of fields, in addition to high-paying sectors. It gets right at the heart of the age-old question: What is the purpose of higher education?

Similar problems arise with the "skills and competencies" metric. These measures, in all likelihood, will be the standardized tests of numeracy, literacy, and critical thinking recently piloted by the Higher Education Quality Council of Ontario (HEQCO) as part of their Essential Adult Skills Initiative.⁴ If so, one need not look any further than the mass high-stakes testing craze that has all but strangled sound pedagogy in so many public education districts within the United States and beyond for clues to what could go wrong by expanding standardized testing into post-secondary. Moreover, the measures themselves are grossly inadequate. A few 45- to 90-minute, one-shot standardized tests could never capture nor compare to any degree program's existing course and program requirements — each determined

and assessed by expert professionals and subject matter specialists. A standard four-year undergraduate experience likely includes 20 to 40 expert "second opinions" diagnosed by a wide variety of professors with a diversity of knowledge, teaching styles, and assessment strategies. Privileging one set of computerized standardized tests as a proxy by which to judge a program's worth is not only misleading, it further erodes academic professionalism and the freedom to teach and assess students as deemed appropriate.

Finally, a cursory review of the "research capacity" and "innovation" metrics reveals the inherent bias in equating research capacity and innovation with the simple calculus of total funds received (both industry and Tri-Council). In doing so, the chosen indicators necessarily privilege the types of research that fit into established funding envelope goals and traditional output formats, while devaluing non-traditional scholarship, for example, community-engaged, participatory, and Indigenous research approaches. Overlooked altogether is potentially ground-breaking scholarship that requires little or no funding at all (other than perhaps a well-resourced library), or whose funding may be sourced from community-based, non-governmental, or even other governmental agencies.

A closer look at Alberta's plan

The Alberta Plan is considerably less well-developed with few public details available other than the future goals and directions outlined in their recently released *Blue Ribbon Panel on Alberta's Finances*, otherwise known as the "MacKinnon Report".⁵ The document makes clear that the Government of Alberta intends to tie post-secondary funding to, among other indicators, the labour market, commercialization of research and technology, as well as other economic goals. The report states:

Most significantly, the Panel found that there does not appear to be an overall direction for Alberta's post-secondary system. The current funding structure doesn't link funding to the achievement of specific goals or priorities for the province such as ensuring the required skills for the current and future labour market, expanding research and

4. Weingarten, H. P. and Hicks, M. "On Test: Skills, Summary of Findings from HEQCO's Skills Assessment Pilot Studies," *Higher Education Quality Council of Ontario*, Government of Ontario, 2018. Accessed online 2 October 2019: <http://www.heqco.ca/en-ca/Research/ResPub/Pages/On-Test-Skills-Summary-of-Findings-from-HEQCO%E2%80%99s-Skills-Assessment-Pilot-Studies.aspx>

5. MacKinnon, J. "Report and recommendations: Blue Ribbon Panel on Alberta's Finances," *Government of Alberta*, 2019. Accessed online 2 October 2019: <https://open.alberta.ca/publications/report-and-recommendations-blue-ribbon-panel-on-alberta-s-finances>

technology commercialization, or achieving broader societal and economic goals. There also continues to be extensive overlap and duplication among post-secondary institutions, each operating with their own boards of governors and with what appears to be only limited collaboration (p.42).⁶

Ontario offers clues to what indicators might be chosen, though only time will tell what performance-based funding path Alberta will adopt.

Academic freedom imperiled

It is evident that the use of metrics has a significant effect on academic freedom as the proportion of operating funding is increasingly tied to performance against certain indicators; for administrators, the temptation will be to use metrics to evaluate individual performance. CAUT's Policy Statement on Performance Metrics notes:

Academic work is best assessed through peer review and not by performance metrics. Reliance on performance metrics can violate academic freedom, interfere with collegial governance, hiring, tenure and promotion decisions, compensation, working conditions, and disciplinary actions.

Measuring research output with an exclusive or excessive emphasis on performance metrics neglects the diversity and totality of scholarly activity. Performance metrics can especially disadvantage Aboriginal scholars, members of equity-seeking groups, those publishing or disseminating knowledge in languages other than English, those who are on non-traditional career paths, as well as those who conduct unconventional research and/or use non-traditional research methods.⁷

Inevitably, performance metrics shape research and teaching agendas as universities, units, programs, and individual performance are, in one form or another,

ranked against them. As these evaluation frameworks are deployed, state auditors, quality assessment bodies, and/or university central administrations themselves increasingly demand data with which they can judge individual, department, faculty, and institutional performance. Too often, such judgements are made by managers who lack the disciplinary expertise to make meaningfully qualified assessments. Under such a regime, value can only be determined by accountancy: academics are governed by numbers, incentives, disincentives, and competitive benchmarking.⁸ Examples of the misapplied use of accountancy occur any time the quality of research or teaching, as traditionally assessed by collegial review, is judged by management and governmental criteria that is based on limited, quantitative numerical proxies employed as poor and skewed representations of the actual research and teaching they are meant to represent.

How did we get here?

Performance-based funding has been tried in a number of jurisdictions in recent years. Since 2010, over a dozen countries/districts have introduced *national performance-based research funding systems*, including: Australia, Belgium (Flemish), Denmark, Finland, Hong Kong, Italy, New Zealand, Norway, Poland, Portugal, Spain, Sweden, and the United Kingdom, with the U.K. expanding the exercise from research into teaching as well.^{9,10}

Countries where performance-based funding, or audit culture, have been implemented on a national scale offer revelatory insights, or a distant early warning, to their (dys)functioning. One of the more established systems is the U.K.'s Research Excellence Framework (REF), for which Robert Bowman, director of the Centre for Nanostructured Media at Queen's University Belfast estimates "the real cost of the REF...[at]... more than £1 billion" to administer;¹¹ Sayer explains the profound effects of the REF:

6. MacKinnon, J. "Report and recommendations: Blue Ribbon Panel on Alberta's Finances," *Government of Alberta*, 2019. Accessed online 2 October 2019: <https://open.alberta.ca/publications/report-and-recommendations-blue-ribbon-panel-on-alberta-s-finances>

7. "Performance Metrics: CAUT Policy Statement," *Canadian Association of University Teachers*, 2018. Accessed online 2 October 2019: <https://www.caut.ca/content/performance-metrics>

8. Shore, C. and Wright, S. "Audit culture revisited: Rankings, ratings, and the reassembling of society," *Current Anthropology* (56:3), 2015.

9. Hicks, D. "Performance-based university research funding systems," *Research Policy* (41:2), 2012.

10. Wright, S., Curtis, B., Lucas, L. and Robertson, S. "Research assessment systems and their impacts on academic work in New Zealand, the UK and Denmark - Summative Working Paper for URGE Work Package 5," *Working Papers on University Reform*, Department of Education, Aarhus University, 2014.

11. Jump, P. "REF 2014: impact element cost £55 million," *Times Higher Education World University Rankings*, 2015. Accessed online 2 October 2019: <https://www.timeshighereducation.com/news/ref-2014-impact-element-cost-55-million/2019439.article#survey-answer>

The imperative to maximize REF scores increasingly drives how research itself is conducted, affecting what is studied, how it is funded and where it is published. It also influences academic hiring and promotion decisions, with candidates' "REFability" often trumping all other considerations. What began back in 1986 as a "light touch" periodic appraisal has spawned internal university bureaucracies that continually monitor and increasingly seek to manage individuals' research. So integral has the REF become to the life of UK universities that many British academics would likely have trouble imagining a world without it (p. 5).¹²

Similarly, Lewis's multiyear, large-scale empirical study involving over 500 interviews with academics at three universities in three countries (University of Auckland, New Zealand; University of Birmingham, United Kingdom; University of Melbourne, Australia) found exercises like the REF produced

the need for managers to pressure researchers into strategic research directions that they might have less interest in . . . [and] the need for academics to "hit the targets" that count in their performance evaluations. . . . Research managers and heads of department now routinely monitor academics, inform them about which things are regarded as worthwhile, and encourage them to focus on the activities that are valued by these systems.¹³ (p. 13)

Depending on how the assessment schemes are operationalized, they produce corresponding distortions. In their study examining the impact of research assessment systems in New Zealand, the United Kingdom, and Denmark, Wright et al. reveal how coercive and distorting these exercises can be. For instance, there is the case of the performance-based research framework (PBRF) in New Zealand; the terms of reference explicitly undervalue New Zealand-based research and New Zealand-trained academics, while valorizing international work and internationally trained academics. Because of the focus on international work,

the PBRF has the perverse effect of disadvantaging community-based and Indigenous research and Indigenous researchers, while advantaging the foreign doctorate-holding professoriate who are mainly white men. Concomitantly is the devaluation of female professors, often shouldering the brunt of childcare responsibilities and tending to be nationally trained. Furthermore, the Danish and U.K. models have been found to encourage quantity over quality — and less risky, conventional research over work on the margins that might affect one's ability to publish in the most prestigious journals. Also neglected are new research areas that might take longer to begin publishing.^{14,15} Similarly, Lewis reported "the introduction of funding tied to quantitative performance measures in Australia saw publication output (but not quality) increase dramatically" (p.12).¹⁶

Lewis also identified that significant differences in typical journal article length and turnaround time correlated to whether an academic worked in the sciences, social sciences, or humanities. She found that with relatively shorter articles and turnaround time, academics in the sciences could expect to publish 5 to 10 articles a year, whereas it might be 2 to 4 in the social sciences, and 1 in the humanities (while often also working on a book). Word length (e.g., as low as 2,000 words in biochemistry to as high as 12,000 in history) and turnaround time also varied considerably depending on discipline.¹⁷

Clearly, one-size-fits-all productivity benchmarks privilege certain universities, programs, fields, research methods, and disciplines over others. Research by Martin (2016) found that "assessment schemes and performance indicators have over time tended to skew research towards 'safe', incremental, mono-disciplinary mainstream work . . . and away from interdisciplinary and more heterodox, risky and longterm research" (p. 18).¹⁸ Whereas now in the U.K., where impact has been added as an indicator in the latest REF, Torrance found a corresponding devaluing of the dull-but-worthy outputs of science (replication, negative results, not "world-

12. Sayer, Derek. *Rank Hypocrisies: The Insult of the REF*, Sage, 2015.

13. Lewis, Jenny M. *Academic Governance: Disciplines and Policy*, Routledge, 2013.

14. Wright, S., Curtis, B., Lucas, L. and Robertson, S. "Research assessment systems and their impacts on academic work in New Zealand, the UK and Denmark - Summative Working Paper for URGE Work Package 5," *Working Papers on University Reform*, Department of Education, Aarhus University, 2014.

15. Martin, B. R. "What's happening to our universities?" *Prometheus* (34:1), Routledge, 2016.

16. Lewis, Jenny M. *Academic Governance: Disciplines and Policy*, Routledge, 2013.

17. Ibid.

18. Martin, B. R. "What's happening to our universities?" *Prometheus* (34:1), Routledge, 2016.

leading”) and books and book chapters, and a privileging of older, traditional research-intensive universities.¹⁹

However they are operationalized, performance-based funding models lead to a narrowing of scholarship, of what is possible, both in teaching and research. They are, in practice, end runs that allow the funding body or university to effectively bypass academic freedom without direct confrontation, just the banal herding of our “selves” through metric funnels onto productivity treadmills. That is, even when administrators or government agencies are not overtly limiting academic freedom through direct intervention, such regimes leave little or no time (or funds) for other forms of “unaccounted” scholarship. Academic freedom is limited to the degree the arbiter of standards for academic work is not “the collective academic staff in the institution and in the academic discipline within which the scholar works” (p. 15).²⁰

In short, we start to focus on what counts and what is rewarded, over what matters.

What can be done?

It is no accident that performance-based funding schemes are resurfacing in Canada as universities are increasingly being forced to compete for a diminishing pool of dollars. The higher education sector as a whole must recognize that such funding models result in the erosion of solidarity between universities by creating winners and losers who are encouraged to attribute blame on themselves for any failure to measure up against inadequate and misleading metrics in a classic “*divide and conquer with carrots and sticks*” – and in the Ontario case, using a much bigger stick than carrot.

The great irony here, of course, is that the proportion of government funding has been in steady decline across the provinces for years, while tuition increases make up the shortfall; yet these same governments seek to impose and exert greater control over campuses and the scholarly activities that take place there. In other words, as governments are footing less and less of the bill, they are seeking to control and regulate more and more of what takes place on Canadian campuses.

It is worth bearing in mind that effective resistance often necessitates collective action, not the individual responses we have been conditioned to enact. Top-down systems of managerial control can only be effectively and safely contested – avoiding the potential for harmful individual penalties – if universities act collectively.

Academic staff associations are increasingly the defenders of the aspirational ideals of the academy as they seek to entrench protections for fundamental principles such as academic freedom and collegial governance into their legally-binding collective agreements.²¹ It is imperative that our associations are unwavering as we exercise our collective strength in protecting these essential ideals.

Where possible, academic staff associations should attempt to work in collaboration with university administrators and Boards of Governors to collectively, as a sector, resist and call out the perils of adopting performance-based funding models like those recently announced in Ontario and pending in Alberta.

It is time to use the lessons learned from other jurisdictions where failed and costly performance-based schemes have been used in order to expose their coercive and deleterious effects. Key concepts like ‘quality’, ‘accountability’, ‘performance’, and ‘professionalism’ must remain in the purview and authority of collegial review at the disciplinary, institutional, and individual levels.

If improvement is truly the goal, then why not focus on closing the myriad data gaps on post-secondary education in Canada, everything from: diversity of staff and students, student retention between years one and two, the proportion of expenditures and demand on student services, the number of faculty that are not paid to research, or the number and proportion of students from traditionally underrepresented groups, first-generation students, and students with disabilities, for starters.

19 Torrance, H. “The Research Excellence Framework (REF) in the United Kingdom: Processes, Consequences and Incentives to Engage,” *Qualitative Inquiry*, 2019.

20 Turk, James L. *Academic Freedom in Conflict: The Struggle Over Free Speech Rights in the University*, Lorimer, 2014.

21 Findlay, L. “Dr. Len Findlay at the University of Regina Jan 23, 2019,” *Overreaching and Undermining: Academic Managerialism Unbound*, University of Regina, 2019 [Video file]. Accessed online 2 October 2019 on Marc Spooner’s YouTube Channel: https://youtu.be/W_mKuiFmxM0

In conclusion

To effectively confront the forces that threaten the academy we need to collectively reinvigorate our engagement with the labour movement and our own local and national representation. We ought also to be reaching out and strengthening solidarities with traditionally underrepresented campus workers; as Gill insightfully and rightfully reminds us, there is a need for “a much expanded understanding of precarity – one that acknowledges the multiple forms of insecurity, precariousness and dispossession within the Academy” (pp. 209-210).²²

Predictable block funding based on traditional inputs such as student enrolments (including weighted adjustments), faculty complement, institutional space, and so on must continue to be the inputs used for the main funding formula if universities are to maintain their ability to remain consistent in their quality offerings and retain the ability to plan for the future.

Further reading

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- Lorenz, C. “If You’re So Smart, Why Are You under Surveillance? Universities, Neoliberalism, and New Public Management,” *Critical Inquiry* (38:3), the University of Chicago Press, 2012.
- Schwandt, Thomas A. *The SAGE dictionary of qualitative inquiry* (4th ed.), Sage, 2015.
- Ward, Steven C. *Neoliberalism and the Global Restructuring of Knowledge and Education*, Routledge, 2012.

Biography:

Marc Spooner is a professor in the Faculty of Education at the University of Regina. He is interested in how corporatization, neoliberalism, New Public Management, audit culture, as well as other technologies of governance impact scholars, scholarship, and higher education. He is the co-editor of the 2018 collection, *Dissident Knowledge in Higher Education* (University of Regina Press) and can be found on Twitter at @drmarcspooner.

22. Gill, R. “Beyond individualism: the psychosocial life of the neoliberal university,” *Dissident Knowledge in Higher*

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