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Functional value in higher education: perspectives from students studying business management degrees in the UK
Dr John Mariampillai

ABSTRACT:
The recent changes to the higher education policy focus on enabling quasi-markets through greater institutional competition and the empowerment of students, underpinned by changes to higher education funding. The cost-sharing policies and the subsequent empowerment of students have offered a new space for assertive students in higher education, who continue to seek value-for-money in their educational choice. In this context, using both the education and marketing literature, this article outlines the successive United Kingdom governments’ focus on student choice and examines the concept of perceived value and the process by which students evaluate value from their study experiences. Using three focus group studies and five in-depth interviews conducted with partner college students and graduates in the UK, this article provides evidence to functional values in higher education.

INTRODUCTION
One of the dominant themes of reforms in Higher Education (HE), particularly since 2010, has been the focus of empowerment of students. An analysis of the white paper entitled “Higher Education: Students at the Heart of the System” indicates the extent of interest in student choice in successive governments’ policy making since 2010 (Department for Business, Innovation and Skills, 2011). The document has 73 pages (excluding all annexes), but the themes ‘student choice’ and ‘choice’ are mentioned approximately 40 times. The argument for greater student choice is built on the notion of empowered and self-interested consumers, and the central theme to ‘making students into empowered consumers is cost-sharing, especially tuition fees and student loans, whereby a greater share of the costs of HE are borne by the main beneficiaries of HE - students and graduates - rather than by government and taxpayers’ (Callendar and Dougherty, 2018, p.3). This switch in funding from general taxpayer to students has transferred the financial power to the hands of students.

According to Cardoso et al. (2011), similar student focused changes are driven by a broader political logic that has been trying to define HE as a service in an educational market (Brown, 2013; Marginson, 2009). Students are seen as customers with the ability to choose. Conceptions of the student as a customer assume that students will demand high quality HE provision and will exert pressures on HE Institutes (HEIs) to offer courses that are closely related to the skills required for the workplace (Naidoo et al. 2011). Naidoo et al (2011) argue that such consumerist approach in HE will foster a fundamental change in the way HE is provided. That is, the emphasis on student choice is placed to intensify competition in HE to create ‘a responsive, inclusive, and better
quality teaching’ (Naidoo et al. 2011, p.1145). There are many other dissenting voices that question the reality of student choice in HE. Their concerns primarily focus on the unique nature of education; for example, Agasisti and Catalano (2006) see education as something that needs to be experienced, in which quality can only be assessed long afterwards. Making a wise choice prior to consuming a particular service (for example, education) is far from easy. In the meanwhile, others view education as a service from which some can be excluded (Rowley, 1997). Rowley (1997, p.10) further states that ‘higher education is unique as a service experience in that most customers must meet stringent academic and sometimes personal criteria before being permitted to enter on the experience, through the process commonly known as admission’. This notion of exclusive access is relevant to all students in HE, for example, Rowley (ibid.) states that all students in HE are admitted exclusively and ‘judged continuously on their suitability as continuing customers’, which is unusual in other service provision.

Some studies show that increasingly students too, see themselves as customers. An Australian study (White, 2007) identified positioning by students of themselves as customers. This is a noticeable change from the position of learners. Such a paradigm shift in students’ perception will redefine the existing relationship between students, teaching staff and HEIs. Thus, Naidoo et al. (2011, p.1156) conclude that ‘contemporary relations between faculty, students, and universities cannot be structured with the same rudimentary tools that were used in elite systems of higher education when students were perceived as academic disciples with homogenous needs and wants’. So, does the present situation warrant a new approach to understand the heterogeneous needs of students?

The successive UK governments’ policy making on student choice has further intensified the presence of market forces in HE. As a result, HEIs have begun to embrace customer-centric business models, often borrowed from the commercial sector in order to effectively compete in the market (Ledden et al. 2011, p.1234). For example, Fanghanel (2012, p.56) notes that ‘conceptions of the student as a consumer have fostered a focus on performance and satisfaction’. There have been many studies conducted in the UK that, in general, examined students’ perceptions of quality (Hill et al. 2003; Telford and Masson, 2005; Voss and Gruber, 2006; Angell et al. 2008), student satisfaction (Elliott and Shin, 2002; Thomas and Galambos, 2004; Douglas et al. 2006) and HE decision making (Binsardi and Ekwulugo, 2003; Maringe and Carter, 2007).

All of these studies were conducted in the context of students in universities in the UK. This article aims to examine the concept of perceived value through private partner college students’ perspectives. A considerable number of non-EU international students choose to study for their degree courses at various private partner HE colleges in the UK (and overseas) offering degrees in business management in collaboration with UK HEIs. Here, I use the term collaborative provision to identify arrangements for delivering learning and teaching opportunities with organisations other than the degree-awarding body (QAA: Chapter B10, 2012). In this context, this article aims to understand these students’ perception of value(s) and examines how various values (see below, Sheth et al. 1991) influence students’ perspectives in their educational consumption.

Students’ perceptions of value and the process by which students evaluate (or perceive) value from their study experiences are attracting much attention in the context of education (LeBlanc and Nguyen, 1999; Ledden et al. 2011; Lai et al. 2011). For example, LeBlanc and Nguyen (1999) conducted a study in a business school using a focus group interview and 402 questionnaires. They used the theory developed by Sheth et al. (1991) that groups values into five major categories (see table 1). The focus of their study was to identify the ‘cues that signalled value to students’ (LeBlanc and Nguyen 1999, p.189). Their study results showed:

a significant relationship between students’ overall evaluation of value and perceptions of price;
a significant existence of functional value (see table 1 for description), in the form of the benefits associated with the possession of a degree in business.

Thus, understanding how students evaluate and perceive value during their period of study will offer insights into student’s choice related judgments. Given the successive governments’ focus on enhancing student choice, the application of similar value concepts in education can be seen appropriate.

**Defining Students’ Perception of Value**

Woodall (2003, p.1) notes that the term value is ‘replete with semantic variety’ and the researchers have often given the concept different names. He observes that ‘the literature on value per se is as broad as it is extensive, and is represented as much in the fields of economics and philosophy as it is in the domain of
business’ (p.3). LeBlanc and Nguyen (1999) note that searching for a precise and permanent definition of value is a difficult task; LeBlanc and Nguyen (1999) explain value as an outcome of a student’s experience. I use the term students’ perception of value as what students perceive that they get by using education (Ledden et al. 2011). Here the meaning of value is closely linked to students’ perceptions and their experiences.

Zeithaml (1988) in her exploratory study attempted to conceptualise customers’ perception of value. During this study, Zeithaml noticed that participants used the term value in different ways but put these varying responses together into four groups to form a definition of value. These four groups of responses were; (1) value is a low price; (2) value is whatever consumer wants in price; (3) value is the quality consumer gets for the price paid and (4) value is what consumer gets for what he/she gives (Zeithaml 1988, p.14). Based on these responses she defined value as ‘consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given’ (Zeithaml 1988, p.14). Her definition offers a ‘give and get’ perspective on the concept of value. Zeithamal’s definition has considerable currency in a commercial context (Ledden et al. 2011), but in terms of education (given the nature of educational experience – see above), it is difficult to measure what is given and taken; thus, Ziethamal’s definition offers limited applicability.

The prevailing political and market-driven landscape leads to the phenomenon of marketisation (Ledden et al. 2011), which increasingly frames HE in the context of market(s) (Brown, 2013; Brown, 2015). In this situation HEIs are expected to find solutions to the problems in the market through market forces (Hemsley-Brown, 2011). As Tomlinson (2018, p.713) critiques, the value of higher education in market-driven environments is commonly viewed in relation to a process of commodification and in this context the value of higher education is derived from how much it can be traded or exchanged within what are essentially transactional relationships between individuals and institutions (i.e. between graduates, higher education and then employer organisations). For example, Maringe (2006, p.476) studied student choice and identified that students specifically choose certain courses because of ‘anticipated benefits’ which are directly linked to their potential career paths. Maringe (2006) argues that given the changes in the funding status of students, HEIs will have to re-examine their strategies to incorporate students’ expectations about their courses, fees and employment opportunities. This will require better understanding on the part of HEIs to examine how students, as fee-paying customers, evaluate their education and perceive value they get from their education. In the context of collaborative HE, it becomes even more significant. Maringe (2006, p.476) points out that HEIs may need to re-position themselves in the market as ‘recruiting institutions’ to ‘selecting institutions’.

I use three previous studies (LeBlanc and Nguyen, 1999; Ledden et al. 2011; Lai et al. 2011) to understand the application of value in the context of education. All these studies have used the theory developed by Sheth et al. (1991) who categorised value into five major consumption values and/or categories. Table 1 provides a summary of Sheth’s work as interpreted in the context of education by LeBlanc and Nguyen (1999), Ledden et al. (2011) and Lai et al. (2011).
Table 1: Values

<table>
<thead>
<tr>
<th>Category</th>
<th>Interpretation</th>
</tr>
</thead>
</table>
| Functional Value | 'A functional value concerns the perceived utility - normally economic benefits' (Lai et al. 2011, p. 273)  
                | Functional value is related to economic utility, the benefits associated with possessing the product/service' (LeBlanc and Nguyen, 1999, p.188)  
                | In the context of education, ‘functional value accounts for the perceived benefits of the chosen course of study in terms of accelerating or enhancing students’ employment or career advancement objectives’ (Ledden et al. 2011, p.1239)  
                | Functional value in HE include ‘benefits students perceive such as guaranteed future employment, a good salary, and promotions’ (Lai et al. 2011, p. 273) |
| Social Value    | ‘Social value concerns the utility derived from the customers’ association with certain social groups’ (LeBlanc and Nguyen, 1999, p.189)  
                | ‘Social value concerns the perceived utility derived from one’s association with a specific social group’ (Lai et al. 2011, p. 273). For example, it may include friends in classes and social activities at the university/or college. |
| Emotional Value | Examples include whether students are glad to choose courses in their specialisation and whether they find courses interesting (Lai et al. 2011). |
| Epistemic Value | Epistemic value includes the ability of a service to satisfy one’s desire for knowledge. Examples include student judgments on the quality of education they receive and course contents. |
| Conditional Value | ‘Conditional value refers to consumer choice and judgment’ (Lai et al. 2011, p. 273). For Lai et al. (2011) examples of conditional value include: the size of the department and the number of students in a class are situational variables that can influence the value of the educational experience. Examples of conditional value in education also include the size of a business school and the parents’ views with regard to its programs are situational variables which have the potential to influence the value of the educational experience (LeBlanc and Nguyen, 1999). |

Methods and Research Design

The data used in this article is part of a larger study dealing with collaborative HE between HEIs and private partner HE colleges in the UK (Mariampillai, 2014). Thus, selected methods and/or items from the original study are utilised here to explore students’ perception of value. The data collection for this article is based on three focus groups consisting of a total of 14 student participants (see tables 2A & 2B). In addition to the above focus groups with partner college students, five in-depth interviews with graduates from the partner colleges were also conducted (see table 2C). These interviews were semi-structured and lasted on average 35-40 minutes. The current students might not be ‘free’ to openly discuss their views while they were still studying in a partner college (or they may be more critical). In contrast, graduates could offer different perspectives retrospectively. Two essential criteria were used to purposively recruit students for the focus groups and the graduate interviews; (a) they were from partner colleges studying for degree courses in business and management (b) they were from non-EU destinations. The participants were recruited from two private partner HE colleges in London and from a college situated in the South East of England (for convenience identified as ‘outside London’). All three colleges had a student population estimated around 350 to 450.
Perception of Value: Discussion

As examined previously, Sheth et al. (1991) classified values into five major consumption values and they are; (a) functional value; (b) social value; (c) emotional value; (d) epistemic value and (e) conditional value (also see table 1). As compared to other values, the focus group responses from students significantly support the presence of functional values in education. Functional values in education represent ‘benefits students perceive from education such as guaranteed future employment, a good salary, and promotions’ (Lai et al. 2011, p. 273; LeBlanc and Nguyen, 1999). The focus group responses related mainly to themes of employability and job opportunities. These responses indicate that students’ value expectations are firmly attached to employability and career opportunities (FG1: Participant Y; FG2: Participant M; FG3: Participant L).

“having a qualification, if you get a graduation certificate from university or college in the UK, [..........] you get jobs easily [.....] moreover it is accepted everywhere” (FG2; Participant M).

According to my study participants’ responses, benefits (i.e. employment opportunities) associated with the qualifications are perceived valuable (FG2; Participant M). They expect their chosen course to prepare them for the world-of-work with more focus on practical skills (FG3: Participant L; Participant SI and S3). This shows the changing focus of students where the impetus is on the outcome of education (i.e. career or employment). Thus, results support previous study findings (LeBlanc and Nguyen 1999; Rolfe, 2002; Narasimhan, 1997; Maringe, 2006). For example, Rolfe (2002, p.174) found that the lecturers at the four UK HEIs in her study felt that students expected a more vocational education to gain skills that gave them enhanced job prospects. According to Narasimhan’s study (1997), students in general were concerned about the practical applicability of knowledge learnt in class. Thus, as evidence suggests, education is increasingly seen as a laissez-passer to students’ employment and the choice has been made on this premise. As Maringe’s study (2006, p.477) concludes, applicants and/or students are no longer passive consumers; they

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**Table 2A: Focus group participants**

<table>
<thead>
<tr>
<th>Focus Group</th>
<th>Participants</th>
<th>Discipline</th>
<th>Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1 (FG1)</td>
<td>4 students</td>
<td>Business</td>
<td>1 Female 3 Male</td>
</tr>
<tr>
<td>Group 2 (FG2)</td>
<td>5 students</td>
<td>Business</td>
<td>3 Female 2 Male</td>
</tr>
<tr>
<td>Group 3 (FG3)</td>
<td>5 students</td>
<td>Business</td>
<td>2 Female and 3 Male</td>
</tr>
</tbody>
</table>

**Table 2B: Participants - by subject, level of study, nationality, gender and interview location**

<table>
<thead>
<tr>
<th>Participant ID</th>
<th>Subject</th>
<th>Study level</th>
<th>Gender</th>
<th>Interview location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant SE</td>
<td>Business</td>
<td>UG</td>
<td>Female</td>
<td>Outside London</td>
</tr>
<tr>
<td>Participant T</td>
<td>Business</td>
<td>UG</td>
<td>Male</td>
<td>Outside London</td>
</tr>
<tr>
<td>Participant SB</td>
<td>Business</td>
<td>UG</td>
<td>Male</td>
<td>Outside London</td>
</tr>
<tr>
<td>Participant Y</td>
<td>Business</td>
<td>UG</td>
<td>Male</td>
<td>Outside London</td>
</tr>
<tr>
<td>Participant MJ</td>
<td>Business</td>
<td>UG</td>
<td>Female</td>
<td>London</td>
</tr>
<tr>
<td>Participant SA</td>
<td>Business</td>
<td>UG</td>
<td>Female</td>
<td>London</td>
</tr>
<tr>
<td>Participant ME</td>
<td>Business</td>
<td>UG</td>
<td>Female</td>
<td>London</td>
</tr>
<tr>
<td>Participant RI</td>
<td>Business &amp; Hospitality</td>
<td>PG</td>
<td>Male</td>
<td>London</td>
</tr>
<tr>
<td>Participant R</td>
<td>Business &amp; Hospitality</td>
<td>PG</td>
<td>Female</td>
<td>London</td>
</tr>
<tr>
<td>Participant A</td>
<td>Business &amp; Hospitality</td>
<td>PG</td>
<td>Female</td>
<td>London</td>
</tr>
<tr>
<td>Participant MA</td>
<td>Business &amp; Hospitality</td>
<td>PG</td>
<td>Male</td>
<td>London</td>
</tr>
<tr>
<td>Participant L</td>
<td>Business &amp; Hospitality</td>
<td>PG</td>
<td>Male</td>
<td>London</td>
</tr>
</tbody>
</table>

**Table 2C: Student (graduates) interview - participants**

<table>
<thead>
<tr>
<th>Participant ID</th>
<th>Course Completed</th>
<th>Awarding HEI</th>
<th>Private for profit college by location</th>
<th>Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant SI</td>
<td>MBA</td>
<td>University W</td>
<td>London Education</td>
<td>Employed</td>
</tr>
<tr>
<td>Participant S2</td>
<td>MBA</td>
<td>University S</td>
<td>London Unemployed</td>
<td></td>
</tr>
<tr>
<td>Participant S3</td>
<td>MBA</td>
<td>University W</td>
<td>Outside London Healthcare Management</td>
<td>Unemployed</td>
</tr>
<tr>
<td>Participant S4</td>
<td>BA</td>
<td>University B</td>
<td>London Hospitality</td>
<td></td>
</tr>
<tr>
<td>Participant S5</td>
<td>MA</td>
<td>University M</td>
<td>Outside London Marketing</td>
<td></td>
</tr>
</tbody>
</table>
have become discerning choosers in the HE marketplace with choice behaviours focused towards return on investment, and the university is seen as a place for ‘preparation for careers and not as a place to pursue the love for scholarship’.

Further, my study participants’ responses also confirm their application of rational economic choice in education, as Callendar and Dougherty (2018) note students in this context too, appear to evaluate the costs and benefits of higher education and the relative quality of educational provision. Students, in this instance, made a rational economic choice by choosing to study in partner HE colleges. To explain further, my study shows that the tuition fee is a major factor in the selection of institutions. Students, being price sensitive, choose partner HE colleges in the UK (and overseas) because of their lower tuition fees (FG2: Participant M).

“I choose this college actually not the university because I could afford only the college. The University fee is relatively high […]” (FG2: Participant M).

“As you know prices of the colleges like compared to universities are cheaper. That was the main reason […]” (FG1: Participant SE).

This is also consistent with Maringe’ study (2006), conducted in the UK, where the research outcomes identified the emphasis placed by students for programme and price related information as being central for their decision making (p.477). Thus, students display the character of a rational economic individual (Lai et al. 2011). This focus on functional value aspects of education depicts students making rational economic choice(s) to maximise their economic benefits through the process of education. In this context, as Harvey and others argue, students have begun to resemble the neoliberal version of the self-interested economic maximisers (Harvey, 2005; Saunders, 2010; Lynch, 2006).

Themes from the interviews with graduates, in contrast to focus group students’ responses, engaged more broadly with other values. For example, themes from the interviews related to student experience, classroom environment and teaching and learning opportunities. In the context of their classroom environment, graduates’ responses positively highlighted the diversity of ideas from peer groups as an important aspect of their educational experience and/or consumption.

“The college which I was associated with had different lecturers, all of them came from different countries, and they fly-in from France, Canada etc., because it was based on modular system, […]. So, it was wonderful and the lecturers and professors all have doctorates, so quality was incomparable. It was obviously very good” (SI1).

“Yes, by the end of the course as I have received the degree, I can say that I have learnt a lot from the classroom experience and from lecturers. We have been inspired a lot by being a MBA student. What is happening all around the world? We are up to date. Our professors and the college have given us opportunities to meet alumni share knowledge and experiences […]” (SI1).

“During the first year […] in Business, I was studying with a group of 8 students on average, hence the classroom and learning experience was very interesting, as interaction with lecturers was very direct, the discussions and studying was very productive, engaging, even challenging. During the second year, the class was consisting of around 35 students and the delivery of lectures was different in a way that it was much general, covering broader aspects of the subjects not leaving much room for detailed discussions […]” (SI5).

The above quotes from the graduate interviews demonstrate the importance of other values, namely: epistemic, conditional and emotional values. Epistemic value relates to ‘benefits derived through a product’s ability to arouse curiosity, provide novelty or satisfy a desire for knowledge’ (Ledden et al. 2011, p.1239). This includes the ability of a service (in this case education) to satisfy one’s desire for knowledge. Emotional value is linked to the ‘ability of a service to arouse feelings or affective states’ (Lai et al. 2011, p. 273). This includes whether students are happy to choose courses in their specialisation and whether they find courses interesting (Lai et al. 2011). ‘Conditional value refers to consumer choice and judgment’ (Lai et al. 2011, p. 273). As per Lai et al. (2011), examples of conditional value include: the size of the department and the
The number of students in a class are situational variables that can influence the value of the educational experience (see SI5).

Thus, emerges a significant outcome of this article that highlights the complexities and dichotomies in making a wise choice prior to consuming education, as argued by Agasisti and Catalano (2006). Callendar and Dougherty (2018) note that education ‘is a service with a high experience value, so it is hard to judge it before experiencing it’ (p.20). This post-experiential nature of educational assessment depends on the interaction between key stakeholders i.e. students, faculty, and the institution, and the relative contribution of each (ibid.). Thus, emerges the differences between the forms of perceived values and the emphasis on particular values, both before and after consumption.

Conclusion

Understanding the implications of students’ perceptions is critical to all types of HEIs. LeBlanc and Nguyen (1999, p.194) argue that institutions should inform students of the opportunities that exist with regard to employment, and the possibilities of career advancement. In a climate of increased competition for income and student numbers, it is my opinion that HEIs and other providers will be forced to satisfy these perceptions of value that students place in HE. In the context of this article, the implications of strong focus on the functional values of education would result in a cost-benefit model of exchange, where students would enrol in a course (based on the price – i.e. cost) to get adequate skills required for employment (benefit). This in the long run can be detrimental. HEIs and their partner colleges in the UK and overseas will mutually create a situation where education and skills will be exchanged as if they were possessions that can be bought at the expense of learning and teaching (Molesworth et al. 2009). In this context, I see a need for institutions and their academic professionals working together. Molesworth et al (2009, p.286) urge individuals who work within these institutions to ‘engage in the intellectual challenge of reflecting on the role of tutors, students and managers within changing HE’. Collaborative HE arrangements with HEIs and partner colleges offer an ideal space for this to occur.

REFERENCES


