



Australian Business Deans Council Response to the Australian Research Council Engagement and Impact Assessment Consultation Paper

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About ABDC

The Australian Business Deans Council (ABDC) is the authoritative and collective voice of all university business faculties and schools in Australia. Our member business schools graduate one-in-three university students in Australia (corresponding to over 100,000 graduates annually).¹ Australian business schools graduate three-in-five international university students in Australia,² contributing significantly to the largest export service industry in Australia.³

The Australian business school community is vitally interested in ways to strengthen links between business and universities and the commercialisation of research.

ABDC Response to the Consultation Paper

ABDC welcomes the opportunity to contribute to the possible assessment mechanisms designed to encourage and measure the extent of engagement and impact of research conducted in Australian universities. ABDC recognises that strong links between the research community and a broad range of end research users are essential to ensuring that research is relevant and impactful.

Business schools undertake a significant amount of theoretical and applied research, largely to investigate practical questions and issues. However, the current close engagement of business schools with external stakeholders extends the economic significance of what we do well beyond simple research engagement and impact measures.

We Need to Understand the Main Causes to Propose the Most Effective Solution

ABDC is concerned primarily about the Consultation Paper's failure to identify *the main causes* of allegedly low levels of industry engagement before proposing a new, potentially expensive, national assessment exercise. An analysis of all the key barriers to engagement is crucial to inform effective ways to change behavior, both from an academic and industry perspective, and may, in fact, highlight the need to take away existing obstacles rather than impose new structures.

The Consultation Paper is based on the premise that Australian university researchers have less engagement with end users than researchers in many other countries. It then assumes that a national assessment process, of the type envisaged in the Paper, will improve engagement between researchers and end users. However, it is hard to determine the likely success of a national assessment exercise in furthering the policy goals outlined in the National Innovation and Science Agenda when we have no clear understanding of the barriers to greater engagement and impact.

The Watt Review of *Research Policy and Funding Arrangements* explicitly acknowledges the potential benefits of new income sources and research opportunities that flow from closer engagement. Yet, despite these obvious incentives to engage with external stakeholders, the Consultation Paper puts forward a potentially expensive national assessment exercise as a partial solution before we fully understand all of the main causes of the issue. As a result, it is unclear to what extent, and in what ways, the proposed assessment exercise may improve engagement and/or impact if the reasons for Australia's allegedly poor performance in these areas are not well understood and explicitly addressed. Put simply, to fix an issue you must first understand the causes.

Therefore, the ABDC believes a different approach may be needed, which initially includes a comprehensive analysis of:

- Barriers to greater engagement with end users

¹ Calculated from Department of Education and Training, 'Management & Commerce Completion Count', [Higher Education Statistics \(uCube\)](#) plus Economics data provided on request, 2014.

² Department of Education and Training, 2014.

³ Department of Foreign Affairs and Trade (DFAT), [Australia's top 25 exports, goods and services, 2013-14](#).¹ In 2013-14 education-related travel services were Australia's fourth largest export at \$15.7 billion and included secondary, VET, ELICOS and pathways.

- Barriers to making research beyond academia more impactful
- Reasons for specific market failures
- Competitive pressures
- How to ensure engagement and impact are fundamental attributes of Australian university research
- Insights gained which may result in alternative impactful and cost-effective measures to encourage improved engagement.

Clearly Define What Will Be Measured in Future Assessments

There are many views on the ways to define and assess engagement and impact. Therefore, it is essential that:

- There are agreed definitions of *engagement* and *impact* before a national assessment exercise.
- No additional confusion is caused by the interchangeable use of the terms. For example, the Paper compares the Australian Academy of Technology and Engineering (ATSE) suggestion, of engagement being measured from reported categories of research income, to the UK Research Excellence Framework exercise, which includes detailed case studies that demonstrate impact.

The ABDC recommends avoiding attempts to arbitrarily fit definitions of engagement or impact to existing data sources simply to lower assessment costs. Rather, we stress that the choice of inputs and measurement system should directly reflect the properties and outcomes that the government seeks to identify and assess. If a national assessment is deemed worthwhile, then it must be done in a way that yields meaningful results. *Cheaper* may not be *better*.

Recognise the Importance of the Role of Knowledge Dissemination

Integrated research and teaching is essential to universities, so ABDC is concerned that most current suggestions ignore the vital role that knowledge dissemination to students plays in research impact and engagement.

Support Different Approaches in Different Disciplines

ABDC applauds the Paper's recognition of the need for different approaches to assessing impact and engagement in different broad academic disciplines, as is already reflected in the approach to the Excellence in Research for Australia (ERA) assessment exercise. We highlight specific considerations for business disciplines in our detailed responses to questions posed by the Paper below.

Specific Questions Raised in the Consultation Paper

1. What definition of engagement should be used for the purpose of assessment?

Research engagement captures the extent to which non-academic stakeholders influence the research agenda as well as being aware of its outcomes. Hence, engagement reflects a two-way process, and any attempt to assess the extent of engagement should recognise both directions in which engagement occurs. Engagement is a multi-faceted part of shaping and disseminating business research. Most obviously, research questions arise from current (and sometimes long-standing) economic, behavioural and regulatory issues. Interactions that should be recognised when measuring degrees of engagement include:

- Observation and activities – with business, regulators and professional bodies – that make researchers more aware of business, economic and regulatory issues
- Business schools' advisory boards that comprise external stakeholders
- Business academics' consulting or advisory activities including industry committee involvement

- Custom-designed, Executive Education – a direct link between business problems and solutions identified by the educational program
- Engaged research - the high student load of business schools provides strong links to employers, with students likely to conduct ‘engaged’ research that reflects the teaching-research nexus fundamental to business education

Bias in measuring research income only

Simple research income measures (as ATSE advocates) are likely to bias any assessment towards disciplines that have funded research as core to their business models. In most business schools, teaching pays for research. Industry is only a small source of research funding.

2. What definition of impact should be used for the purpose of assessment?

Research impact is a natural long-term counterpart to research engagement. Specifically, impact captures the extent to which non-academic stakeholders are affected by and/or explicitly use or exploit the results of academic research. Hence, the focus of research impact is on the outputs of academic research. In the case of highly impactful research, the key outputs are re-cast or translated into a form directly relevant to the core activity of the given stakeholder – solving a problem relevant to them, ideally with enduring flow-on implications for other similar stakeholders over the long term.

Impact should be long-standing. Short-term measures of impact restricted to, say, six-year windows of the type corresponding to the ERA assessment of research quality, are more likely to reflect engagement than long-term, effective impact. Any definition of impact should not trade off impact against scholarly excellence nor exacerbate the pressure that competition already places on research excellence. A minimum threshold of broad scholarly excellence should be a condition necessary for claiming meaningful impact.

3. How should the scope of the assessment be defined?

We support the widespread type of assessment envisaged in the Consultation Paper. ABDC encourages a specific set of discipline-specific engagement and impact indicators, ideally developed by relevant discipline bodies that represent academic disciplines and professional, commercial and regulatory organisations.

We encourage the use of readily available data, which is collected within existing reporting requirements. However, we do not believe that current data collected, or other data collected via Higher Education Research Data Collection (HERDC), assesses the level of engagement or broader impact of research in business disciplines.

There should be a broad scope that identifies the myriad ways business schools engage. These include customised education, co-operative education schemes and employer demand – all of which reflect the extent to which the intellectual environment results in outputs meeting demand.

4. Would a selective approach using case studies or exemplars to assess impact provide benefits or incentives to universities?

Case studies can identify exemplars, assess and highlight impact, but their use may also encourage relatively selective reporting. They can nevertheless serve as exemplars and identify effective ways of enhancing engagement and/or impact. In the UK for example, funding bodies, universities and industry all unanimously support case studies as the best method to assess research impact. Case studies have enabled universities and funding bodies to connect research grants through to return on investment. ABDC recommends that the main focus of case studies should be on measuring impact rather than engagement, with a primary purpose of demonstrating how such impact has arisen.

5. If case studies or exemplars are used, should they focus on the outcomes of research or the steps taken by the institution to facilitate the outcomes?

It's important to recognise that the ability to base generalisations on case studies is limited when the focus is on research outcomes or steps to facilitate outcomes. We caution that reporting the steps taken within institutions is likely to encourage a more structured, box-ticking approach, which can be easily measured and reported but may not improve outcomes. Process and outcome are not the same thing.

6. What data is available to universities that could contribute to the engagement and impact assessment?

ABDC encourages the widest possible collection of data on student destinations, as university costs permit, if destinations are an accepted form of engagement and/or impact measurement. We see no reason to focus solely on Higher Degree by Research (HDR) students, as distinct from Masters or Undergraduate students.

7. What are the key challenges for assessing engagement and impact and how can these be addressed?

We question the Paper's (page eight) assertion that there are more challenges in assessing research engagement than impact. The challenges are simply different. We have tried to highlight the incredibly broad range of ways in which engagement can be identified, and emphasise that recognition of these is crucial to ensuring meaningful assessment for business disciplines. We expect engagement indicators to be readily available but not equally significant.

In the case of business disciplines where the influence of research tends to diffuse much more slowly than in the sciences, it seems highly unrealistic to restrict impact measurement to research published within a relatively short, rolling window, as occurs with ERA. We are extremely skeptical about whether a measure of impact, designed to correspond with research reported in an ERA assessment, can be applied more broadly to the benefits of academic research.

8. Is it worthwhile to seek to attribute specific impacts to specific research and, if so, how should impact be attributed?

There is no simple answer to this question. In the vast majority of cases, attempts at such attribution will be highly problematic and likely a waste of effort and resources. The extent of reasonable attribution will be entirely case-dependent. Indeed, case studies would potentially require the clear demonstration of causality.

9. To what level of granularity and classification should measures be aggregated?

We see little merit in conducting engagement and impact assessment at anything more granular than the two-digit Fields of Research (FoR) codes for either Economics (FoR14) or Business (FoR15).

10. What timeframes should be considered for engagement activities under assessment?

We accept that a rolling six-year window, consistent with ERA, may be suitable to identify a wide range of engagement activity.

11. What timeframes should be considered for the impact activities under assessment?

We very much doubt that a comprehensive, economically and socially meaningful assessment of

research impact can arise from such a limited, recent, time period such as six years. Of course, case studies can identify possible examples, however, such ‘evidence’ cannot be easily or meaningfully aggregated to be more informative than the existing international assessments that motivated the case for a comprehensive exercise.

It may be possible to achieve a limited measure of commercialisation in a restricted (say, six-year) time period, but commercialisation income is not a comprehensive measure of impact – particularly in the economics and business disciplines. Therefore, such data would be of questionable use to policy.

12. How can the assessment balance the need to minimise reporting burden with robust requirements for data collection and verification?

We see little reason to use existing (low-cost) data unless it produces useful measures. If there is to be a national assessment of impact and/or engagement, then the data collection costs should be weighed against the expected benefit. We have already raised our concern about an assessment exercise possibly being less effective in promoting greater engagement and impact than careful identification of existing barriers to greater engagement and research having more impact beyond academia. Hence, the ABDC is reluctant to simply endorse the need to collect an extensive array of additional data, even though ultimately it may be fundamental to a reliable measure of engagement and/or impact.

13. What approaches or measures can be used to manage the disciplinary differences in research engagement and impact?

We fully and absolutely endorse the Consultation Paper’s recognition, on page 12, that measures of external research income, as advocated by ATSE, are unlikely to adequately assess business research engagement or impact. The narrow focus of the ATSE framework particularly disadvantages social sciences and business disciplines that participate in a broad range of engagement and impact activities. We suggest the use of an expert panel of academic and business/professional participants to identify meaningful potential indicators of engagement, while keeping collection/compliance costs to reasonable levels.

14. What measures or approaches to evaluation used for the assessment can appropriately account for interdisciplinary and multidisciplinary engagement and impacts?

Unless there is a desire to somehow aggregate discipline-specific measures into something broader, we are unclear as to why it is necessary to account for interdisciplinary and multidisciplinary differences. It is more important that measures recognise and accurately reflect the impact and engagement related to the broad type of research that occurs across disciplines.

15. What types of engagement indicators should be used?

Engagement indicators should broadly capture the ways business researchers interact with business, government, regulatory agencies and other external stakeholders to influence the questions that form the basis of business research. It should also capture the ways in which the scholarly endeavours of business academics help to create educational experiences that attract more students and meet the demands of a diverse range of employers.

16. What types of impact indicators should be used?

Impact indicators need to reflect the long lead time between the execution of research and the demonstrable benefits to external stakeholders and society. Impact indicators must reflect the assumption that academic excellence and rigour are a prerequisite for research to have substantive, lasting impact and meaningful engagement.

Finally, ABDC notes that the consultation paper refrains from asking questions related to the required volume of evidence, relative to the size of research endeavours. Put differently: is a small and a large business school expected to provide the same volume of evidence, however the latter is measured? For example, the UK Research Excellence Framework (REF) provides a model in which the number of required case studies is contingent on the number of researchers (and their outputs) submitted to the exercise. Many smaller business schools would see this model as a fairer approach to the required volume of evidence.

Submitted by:

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- Macquarie University, Faculty of Business and Economics
- The University of New South Wales, UNSW Business School
- The University of Newcastle, Faculty of Business and Law
- The University of Notre Dame, School of Business, Sydney
- The University of Sydney, Business School
- University of New England, School of Business
- University of Technology Sydney, UTS Business School
- University of Western Sydney, School of Business
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- Griffith University, Griffith Business School
- James Cook University, College of Business, Law and Governance
- Queensland University of Technology, QUT Business School
- Southern Cross University, Business School
- The University of Queensland, Faculty of Business, Economics and Law
- University of Southern Queensland, Faculty of Business, Education, Law and Arts
- University of the Sunshine Coast, Business School, Faculty of Arts and Business

South Australia

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- The University of Adelaide, Faculty for the Professions
- University of South Australia, UniSA Business School

Tasmania

- University of Tasmania, Faculty of Business

Victoria

- Australian Catholic University, Faculty of Law and Business
- Deakin University, Faculty of Business and Law
- Federation University Australia, Federation Business School
- La Trobe University, La Trobe Business School
- The University of Melbourne, Faculty of Business and Economics
- Monash University, Faculty of Business and Economics
- RMIT University, College of Business
- Swinburne University of Technology, Faculty of Business and Enterprise
- Victoria University, College of Business

Western Australia

- Curtin University, Curtin Business School
- Edith Cowan University, Faculty of Business and Law
- Murdoch University, School of Management & Governance
- The University of Western Australia, Business School

Australian Business Schools – The Facts

Australian business schools graduate one-in-three Australian university students.⁴

Australian business schools graduate three-out-of-five international university students in Australia.⁵

Australian business school students contribute an estimated \$5.3 billion in export earnings to the Australian economy per annum⁶ – equal to Australia’s eleventh largest export.⁷

One-in-five of Australian business schools are ranked in the top two percent of universities worldwide for economics and business.⁸

Two-thirds of Australia’s top 50 CEOs have a business school qualification.⁹

Australian business school MBA graduates earn the second highest average salary world-wide at US\$115,600.¹⁰

⁴ Department of Education and Training, 2014 - 32 per cent of all university completions in 2014 were from a management, commerce or economics discipline.

⁵ Department of Education and Training, 2014 - 57 per cent of all university completions by overseas students in 2014 were from a management, commerce or economics discipline. This figure equals enrolment figures for management and commerce in offshore Australian campuses - Australian Education International – *Research Snapshot: Transnational education in the higher education sector*, Oct 2014.

⁶ Calculated from Department of Education and Training, *Management and Commerce International Student Load Count (EFTSL)*, *Higher Education Statistics Data Cube (uCube) plus Economics EFTSL data provided on request 2013 and 'Australia's International Education Industry - Analysis of Strategic Trends'*, February 2013, by Boston Consulting Group (BCG), p. 14, Each international higher education student contributes an average USD44,000 to the Australian economy (fees plus living costs). Exchange rate accessed from xe.com on 29 August 2013.

⁷ Department of Foreign Affairs and Trade (DFAT), *Australia's Trade in Goods & Services, Australia's top 25 exports, goods and services, 2013-14*. In 2013-14 education-related travel services were Australia's fourth largest export at \$15.7 billion and included secondary, VET, ELICOS and pathways.

⁸ *Academic Ranking of World Universities (ARWU)*, 2014. One-in-five Australian business schools are listed in the top 200 (or two percent) of universities worldwide in economics and business. In the *US News Best Global Universities Ranking 2014*, Australian business schools represent seven out of the top 100 universities for economics and business. Quaquarelli Symonds in their 2015 top 50 *QS World University Rankings*, Australian business schools account for six in Accounting and Finance, five in Economics and Econometrics and six in business & management studies.

⁹ Suncorp Bank, *'Power Index'*, August 2012. Survey of the CEOs of the 50 largest ASX-listed companies. 64 per cent have a business qualification; 40 per cent have an undergraduate business degree and 25 per cent hold an MBA

¹⁰ *QS Intelligence Unit, QS TopMBA.com Jobs & Salary Trends Report 2014/15*, p.44.