
Managing Australia's aid- and self-funded international students

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Abstract

In Australia, market-oriented studies involving overseas students have not kept pace with the regional economic development that has freed prospective students from relying on aid money and contributed towards the commercialisation of international education. A sample of 336 Asian and Pacific Island students from a range of faculties at the University of Wollongong reported their perceptions of prejudice in the local and university communities, their attitudes towards the quality of service provided by the university, and their intentions to recommend Australia on returning home. Compared to aid-funded students ($N = 57$), the self-financing majority were more likely to discern prejudice and inferior service, but ratings on these two factors, for both groups, sharply differentiated those who later intended to recommend Australia from those who did not. Today's business ethos suggests that techniques from managerial psychology could be applied to improve the quality of delivery of our higher educational services, thereby preventing further erosion of international social capital.

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A dynamic background

Between 1986 and 1994, the number of overseas students attending Australian universities rose from 16,782 to 46,441, and the number is still climbing, along with its export value of \$1.5 billion (McKay and Lewis, 1995). These increases do not appear to have been matched by the number of consumer-driven, behavioural studies examining the perceptions of overseas students towards Australia. Despite a good past record (Bochner, 1986; Bochner and Wicks, 1972; Keats, 1969, 1993), a recent search of the PSYCHLIT database uncovered three studies over the past six years, each focusing on how the student should adapt to the system rather than the converse (Barker *et al.*, 1991; Oei and Notowidjojo, 1990; Sandhu, 1993; Burns, 1991). Yet when a market is in its "growth phase", what is required is particular adaptation to customer concerns (Fennell, 1978). These might be especially salient to students from non-Western cultures, for whom "cutting the best deal" is likely to be secondary to meeting social needs (Rugimbana *et al.*, 1996). Some universities are reportedly placing profit before student interests (Baker, 1993; Cox, 1995), possibly resulting in a decline in credibility comparable to the experience in America (Will, 1996). At the same time, however, we are told that Australian universities, as in the past (Rao, 1979), have "a reputation as providers of high quality education" (Scutt, 1995). This study addresses these somewhat contradictory claims with some new empirical evidence.

Industrialisation in our regional neighbourhood economies continues to run ahead of educational developments there, with two-thirds of the world's international

students now originating from Asia (*Education News*, 1996). The proportion of Asian students in Australia, however, already exceeds 90 percent (UNESCO, 1992). Thus, it may be especially important for us, today, to estimate how future international relations, with our Asian and Pacific Island neighbours, may be affected by this student presence in Australia (Greenwood, 1971). One of the most obvious developments in recent years has been demographic, namely an increase in the predominance of full-fee-paying over aid-funded students (Keats, 1969; McKay and Lewis, 1995). A psychographic comparison of those two sectors today, with one representing what is increasingly the case, might provide some indications regarding prospective developments. Reduced satisfaction among individuals who originate from more rather than less developed economies, and in particular among those who are self- rather than aid-funded, would signal the advent of an increasingly "discerning" sojourner.

Future intercultural relations

Upon students returning home, a range of demo- and psychographic factors may also enter the equation predicting intention to recommend Australia. We wanted to determine the relative ranking of students' perceptions regarding the warmth of their welcome and the perceived quality of service provided to them (relatively "soft" factors), compared to more demographic and socio-economic ("harder") indices such as source of fees, country of origin, gender, and (under)graduate status. In that context, it has been suggested (Rugimbana *et al.*, 1996) that the "softer", more human factors (i.e. warm reception and perceived quality of service, rather than say socioeconomic status) will be the best predictors of prospective intercultural relations.

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The participants

Our sample consisted of 336 students, males ($N = 195$) and females ($N = 141$), as well as undergraduates ($N = 237$) and postgraduates ($N = 98$), enrolled in a variety of faculties at the University of Wollongong, located south of Sydney. The sample was gathered by mail through the auspices of the university's International Student Office, and represents a return rate of 38 percent (McKay and Lewis, 1995). These respondents originated from a wide range of countries, which were grouped (after Ong (1991)) into more economically developed (Hong Kong, Singapore, Japan, South Korea, Taiwan, Malaysia [$N = 173$]) and less economically developed (Indonesia, China, Thailand, Iran, Pakistan, India, Sri Lanka, the Philippines, and the Pacific Islands, including Papua New Guinea [$N = 163$]). A multiple analysis of variance, with this country grouping as the independent variable and ratings on each of our four questionnaire items below as dependent variables, supported this grouping. Variance between groups exceeded variance within ($F_{4,330} = 4.58$, $\Lambda = 0.95$, $p = 0.001$). Apart from one unrecorded case, there were 278 full fee-paying and 57 aid-funded students – 54 of whom originated from the less developed economies.

Questions

The respondents completed a general questionnaire for the university's Department of Economics, under conditions of informed consent and confidentiality. Although largely concerned with spending patterns of overseas students, part of the survey form contained the following four exploratory Likert-type stems:

- 1 Of the Australians outside the university, do you feel their attitudes towards overseas students are...
- 2 Of the Australians at the university, do you feel their attitudes towards overseas students are...
- 3 Do you feel that the services and facilities that this university has provided for you have been...
- 4 When you return to your country and if you are asked whether Australia is a good place in which to study, would you say it was...

Attached to each stem was a scale ranging from: (1) very good, (2) good, (3) average/satisfactory, (4) bad, (5) very bad.

Answers

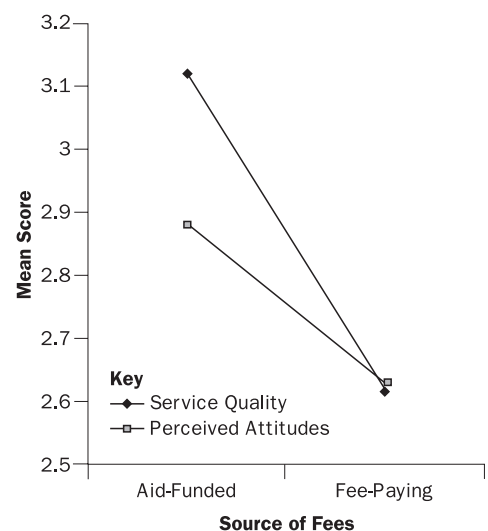
The influence of source of funding

Inspection of the correlation matrix for all variables (missing cases = 2) revealed significant intercorrelation between item (4) and items (1), (2), and (3), and between items (1) and (2) ($r > 0.4$, correlations between other item pairs < 0.3). Because they were relatively closely linked, scores from items (1) and (2) above were combined into a "mean perceived attitude index". This more reliable (and possibly more content valid) variable, plus scores from item (3), "services and facilities" ($r = 0.26$), served as dependent variables in a multiple analysis of covariance; with source of fees acting as the independent variable, and country grouping, gender, and under/postgraduate status as the covariates.

These covariates were marginally related to the dependent variables ($F_{6,656} = 2.17$, $\Lambda = 0.96$, $p = 0.05$, univariate F -tests NS). Specifically, postgraduates may have discerned somewhat less positive attitudes ($t = -1.89$, $p = 0.06$), and students from more developed economies may have discerned somewhat lower quality services and facilities ($t = -1.89$, $p = 0.06$). Over and above these relatively marginal linkages, however, fees had a multivariate effect on mean perceived attitude index and judged quality of services and facilities ($F_{2,328} = 9.63$, $\Lambda = 0.94$, $p < 0.001$). From Figure 1, students who were privately-funded tended to give poorer ratings on discerned attitudes ($F_{1,329} = 5.52$, $p = 0.019$, $\eta^2 = 0.17$, adj. means = 2.88 vs. 2.63), and as well on services and facilities ($F_{1,329} = 17.64$, $p < 0.001$, $\eta^2 = 0.051$, adj. means

Figure 1

Perceived attitudes and service quality by source of fees



= 3.12 vs. 2.62). This difference, according to our earlier logic, reflects the advent of an increasingly discerning international student in Australia, one who expects more and/or is more ready to voice criticism of the host.

Prospects for intercultural relations

What factors statistically predict whether an international sojourner to Australia will recommend Australia as a study destination on their return home? A discriminant function analysis computed source of fees, country of origin, gender, graduate status, mean perceived attitude index, and item (c) as potential predictor variables, and item (4) recommendation ("very good" or "good" [$N = 133$] vs. "bad" or "very bad" $N = 48$) as the criterion.

The resulting discriminant function correctly classified 88 per cent of cases ($\chi^2 = 104.7$, $df = 6$, $\Lambda = 0.55$, $p < 0.0001$). The highest standardised canonical coefficients (indicating the most informative predictors) ranged downwards from 0.76 (for perceived attitudes), to 0.70 (for university services and facilities) and -0.19 (for country of origin, although the increment in correct classifications to be gained by including this factor was 2 per cent). None of the remaining variables added predictive capacity to the discriminant function. Thus, while source of fees may have coloured the way that the host community and its services were perceived, in this instance, the best statistical predictors of attitudes toward Australia were the so-called "soft," i.e. human factors.

In sum, what discriminated between those who did and did not intend to recommend Australia on return home were not the "hard" factors such as source of fees and country of origin. Instead, and by a large margin, it was the soft factors reported, namely perceived community attitudes and feelings about facilities, that really "made the difference."

Qualitative insights

In support of this finding using quantitative analysis (and regarding any Likert-item proximity error), "softer" issues were also predominant in the respondents' spontaneous written comments on the survey, despite this ostensibly being presented to the students as an "economics survey." From a basic content analysis of the 102 comments, the dominant themes were perceived prejudice (39 responses), poor service and facilities (19), the absence of travel concessions usually given to local students (11), preoccupation

with money on the part of service providers (12), and other (21). Insofar as poor services, lack of the usual travel concessions, and preoccupation with money collectively amount to being "undersold," they might be considered as reflecting one general theme, i.e. disservice in the level of services and facilities. This and perceived prejudice are no more (or less) commonly mentioned among students from more developed versus developing economies ($\chi^2 = 0.314$, $df = 1$, NS), suggesting that, qualitatively speaking, they concern overseas students generally.

These overarching twin concerns, of perceived prejudice/discrimination and being undersold, are probably best encapsulated and expressed in the words of some of the students themselves.

Illustrative comments on perceived prejudice

[Of a business communications lecturer!] Selfish, prejudiced to most overseas students, and regarding most foreign students as incapable of coping with English.

I won't buy an Australian product inside or outside Australia as a return for the discrimination that I received. Most overseas students say that. The Government thought that overseas students are one of the major factors to improve the economy, but they didn't think of the student as helper in the future.

Illustrative comments on being undersold

This company (sorry I cannot say university, because the main aim for all of us in your country is not improvement to our knowledge, it is just a new way of making money) is simply trying to increase its profits and now seeks to "x-ray" us.

What this survey addresses is the direct economical effects of overseas students on Australia. However, the more important benefit of overseas students is that they will eventually occupy key positions in their countries.

Discussion

This idea that international students could influence prospective international relations has of course been recognised by successive Australian governments (Greenwood, 1971). Such concerns have also been supported indirectly by psychological findings. Some examples would include the negative information bias (Anderson, 1992), the availability heuristic (Tversky and Kahneman, 1973), and the negative contrast effect of being over-promised and underdelivered (Herriot, 1991). Closer to home, our two principal themes, perceived prejudice and disservice, resonate

with concerns expressed by Aboriginal students (Goold, 1995; Tattam, 1996). The present study, however preliminary, might be inferring that it matters to future intercultural relations that international (and indigenous) students do not feel as though they have been treated unjustly by the system in Australia.

If we are right, in contrast to the past philosophy of expecting the international student to fit into the local learning environment (Vittitow, 1983), it may be increasingly necessary, today, to fit the learning environment to the student (Carr *et al.*, in press). While earlier approaches may have emphasised counselling students on "their" difficulties (Bochner, 1986), the current academic environment may require more "counselling the system" (see for example, Gopal (1995), Moghaddam (1993)). As one student poignantly protested,

I was scolded by my lecturer. How can a lecturer do that! Isn't he supposed to help students if they have a problem and not scold them and make them ashamed of themselves?

A shift of emphasis from counselling to quality management would be commensurate with the commercialization of higher education, in turn suggesting applications for managerial psychology (Howarth and Croudice, 1995). Elsewhere, for example, we (like others) have argued that improved selection procedures are highly important (Carr, 1996; Zheng and Berry, 1992). Managerial psychology also emphasises considering situational factors, and although students (like lecturers) are not always the best judge of what is good for them (Abrami *et al.*, 1990), perhaps there is still something of a tendency (Armitage, 1996) to locate the blame in them rather than the educational system itself (Ross, 1997). Hofstede (1985) argued that "the burden of adaptation in cross-cultural learning situations should be primarily on the teachers" (p. 1), while one of our own respondents protested,

If overseas students go back to their home countries with a negative attitude towards Australia, they can't be blamed for it all.

One area in which management psychology may be applicable is through its training needs analysis techniques (Aamodt, 1996). Some of these have already been applied in higher education settings, with students from non-Western backgrounds (Carr *et al.*, in press), thereby demonstrating their robustness. Some examples would include the critical incidents technique (Flanagan, 1954), which has been used to design culturally appropriate courses in health and welfare studies (MacLachlan and McAuliffe, 1993). The nominal group technique (Sink, 1983) has been applied to teach health and welfare

promotion in Venezuela (Sanchez, 1996) and in Mala_i (MacLachlan, 1996). There as well, a combination of SWOT analysis (MacLachlan and Carr, 1993) and organisational survey (Carr, 1994) has been used to develop a curriculum that became popular with students who had, through market liberalisation reforms, become more discerning (Carr, 1996).

That is precisely the situation that appears to be happening among students visiting Australia from the Asia Pacific region. Despite shortfalls in the quality of our measures, and in the need for planned rather than post hoc studies, our study suggests that it would be naïvely premature to claim that "all is well" with that very important international clientele. While our search of ERIC revealed a combination of general concern on the one hand (Baker, 1993; Edmond, 1995; Kennedy, 1995) and some highly specific interventions on the other (Hubbard, 1994; McLaughlin, 1996), somewhere in between we see scope for applying the specific techniques of managerial psychology to improve the general quality of our service to the international community (Cox, 1995).

Postscript

Since the original submission of this paper, Australia has witnessed the rise (and perhaps demise) of "One Nation", a political party with negative attitudes towards integration with our regional neighbours, including the international student community. These prejudicial attitudes have resonated negatively within Asia and the South Pacific, and have already led to mass withdrawals from higher education programs in this country. Those withdrawals have been countered by renewed promotional activities, within Pacific-Asia, by the Australian universities. Thus, we view the recent political (and economic) changes in Australia (and the region) as elevating the relevance of issues raised in this paper.

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