

# Is Return on Investment Driving Student Choice?

*How can behavioural approaches help to understand decision-making among prospective students*

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# Introduction...

**Prospective students weigh up a wide range of factors when making decisions about higher education.**

## Most common factors in choosing where to study

- academic reputation
- location
- distance from home
- course suitability
- employment opportunities

## Most common sources of information

- university prospectuses and websites
- UCAS directories and guides;
- family and friends
- university visits
- teachers and careers advisors

# Adopting a behavioural perspective to understand student decision-making

The traditional economics of decision-making rests on the formation of preferences, seeing them as fully formed and largely exogenous. A more informed view recognises that preferences...

...are rarely fully formed and are subject to many different influences:

*People do not always have well defined preferences: they nevertheless latch onto reasons for acting that can make their actions intelligible and predictable.*

*(Individuals) Preferences are in some degree endogenous to the particular institutional and social context of their actions.*

*When preferences change with the institution, the selection of an institution can be as much a question of what preferences to have as how to best satisfy antecedently given ones.*  
*Hargreaves-Heap, (2013)*

...depend on the social and institutional context in which individuals inhabit:

*Decision-making takes place within two registers of meaning and action. One is cognitive/performative and relates to the matching of performance to the selectivity of institutions and courses. The other is social/cultural and relates to social classifications of self and institutions.*  
*Reay et al (2005)*

# Key principles in decision making...

## We are not rational choice machines!

- Prospective students, like any group of people, will use information and make decisions using a set of heuristics that lead to predictable (and less predictable) biases.

## More and better information is good but ...

- More important than the information itself is an understanding of how prospective students will use (and not use) information to make decisions.
- And the contexts in which they make these decisions.

# How do prospective students make choices about Higher Education

*To understand decision-making by prospective students we must also understand how they use and interpret the information available to them*

# Important factors in understanding decision-making...

**How prospective students use information to make decisions about HE choice, is not necessarily rational *or* comprehensive.**

- The decision-making behaviour of prospective students is influenced by a range of factors including personal, psychological traits, as well as social and environmental conditions.
- Rational and non-rational behaviour can be theorised in terms of two hypothetical mental systems: System 1 provides automatic and largely emotive responses, whilst System 2 is more deliberate and cognitive.

# Important factors in understanding decision-making...

**Social and institutional factors play a part, and people are not one homogenous group.**

- Social and institutional factors impact upon both the way people engage in information about decisions related to HE.
- Different people require information to be presented in different ways. People use a variety of sources to fulfil their information-seeking requirements, and they employ a variety of methods to reduce the complexity and uncertainty involved in decision-making.

# Important factors in understanding decision-making...

**Many different types of information are used to make decisions, including both formal and informal sources.**

- Information seeking is dynamic, and the nature and requirement of people's searching is rarely simple.
- Technology offers potential ways of dealing with large amounts of information, but it can also introduce complications because of the sheer amount of information that it affords access to.

# Important factors in understanding decision-making...

**Information provision in HE should be tailored to individual cases and take account of factors other than those that can be described in financial terms.**

- Decision-making that concerns HE involves less rational consideration than might be first assumed.
- Factors other than those that can be accounted for in terms of money and time, such as emotional responses, play a significant part in determining the outcome of choices facing prospective students, whether they influence the decision consciously or not.

# How can prospective students be more informed about the decisions they make?

*In order for prospective students to make optimal decisions about their HE choice, HEIs should consider the following issues*

# Moving from provision of information to understanding student choice...



...the emphasis moves from the provision of more or different information to an understanding of the stages of student choice

# Practical considerations...

- Individuals are limited in the amount of information about entry into higher education that they can process
- There is a need for those making decisions about entry into higher education to be more aware of their own decision making processes.
- Preferences of prospective students are not fully formed as they seek information and make decisions.

## Practical considerations...

- HEIs have a responsibility to provide information about their institution, but the focus of this activity should not simply be one type of information at the expense of another (formal vs. informal, for example)
- There is a need for HEIs to use technology that goes beyond a static dissemination of information to engage prospective higher education students.

# Outcomes: Establishing more informed preferences

Therefore supporting prospective students becomes about enabling them to make autonomous and satisfactory decisions about HE through...

- Supporting students to establish more informed preferences
- Giving them the tools through which they are able to reflect authoritatively on these preferences
- Highlighting the contextual importance of IAG in student choice

**Where do I want to go university?**



**What do I want to study at university, why and what do I want to do after university?**

# Thank you

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