



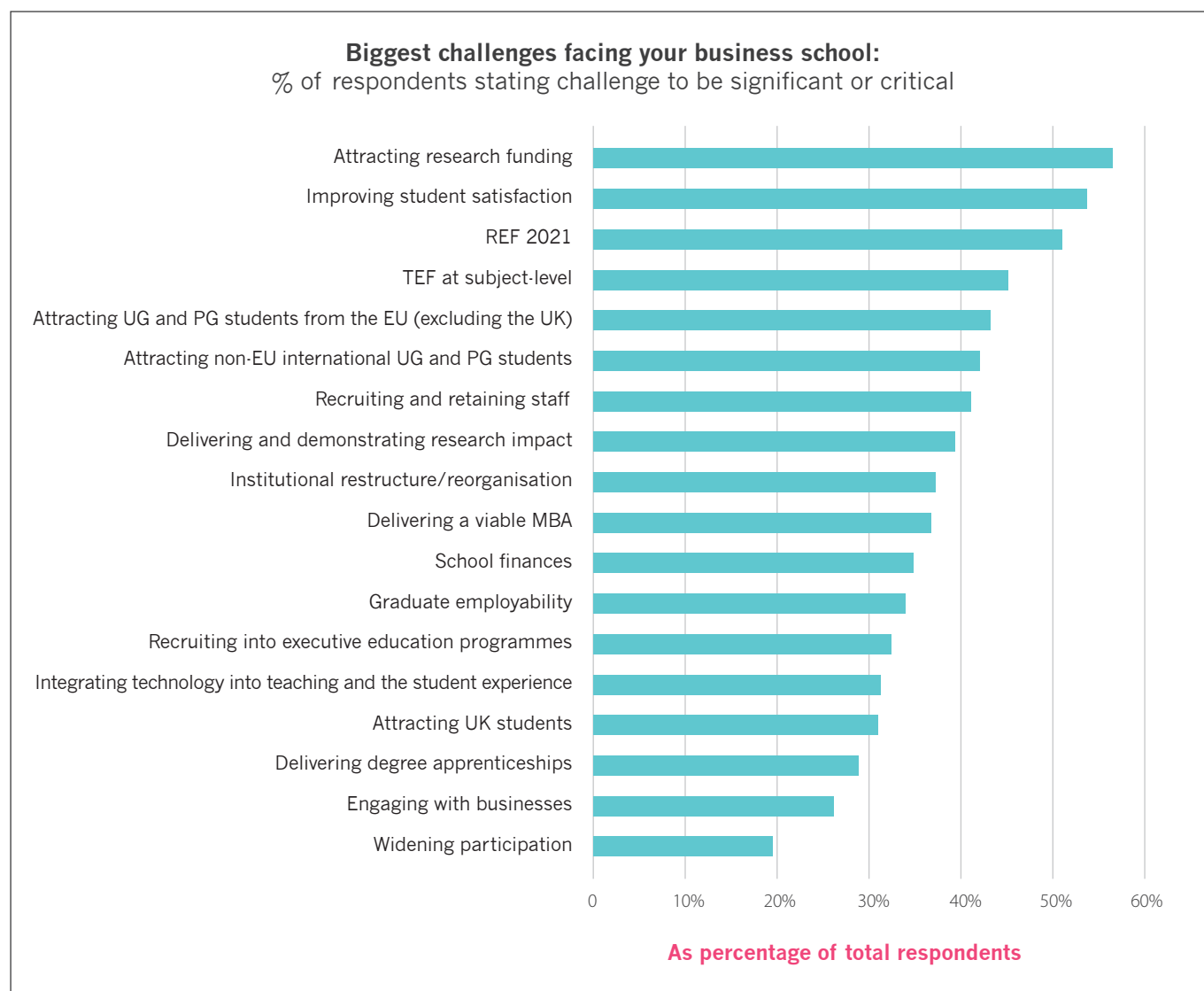
## ANNUAL MEMBERSHIP SURVEY 2018: RESULTS

November 2018

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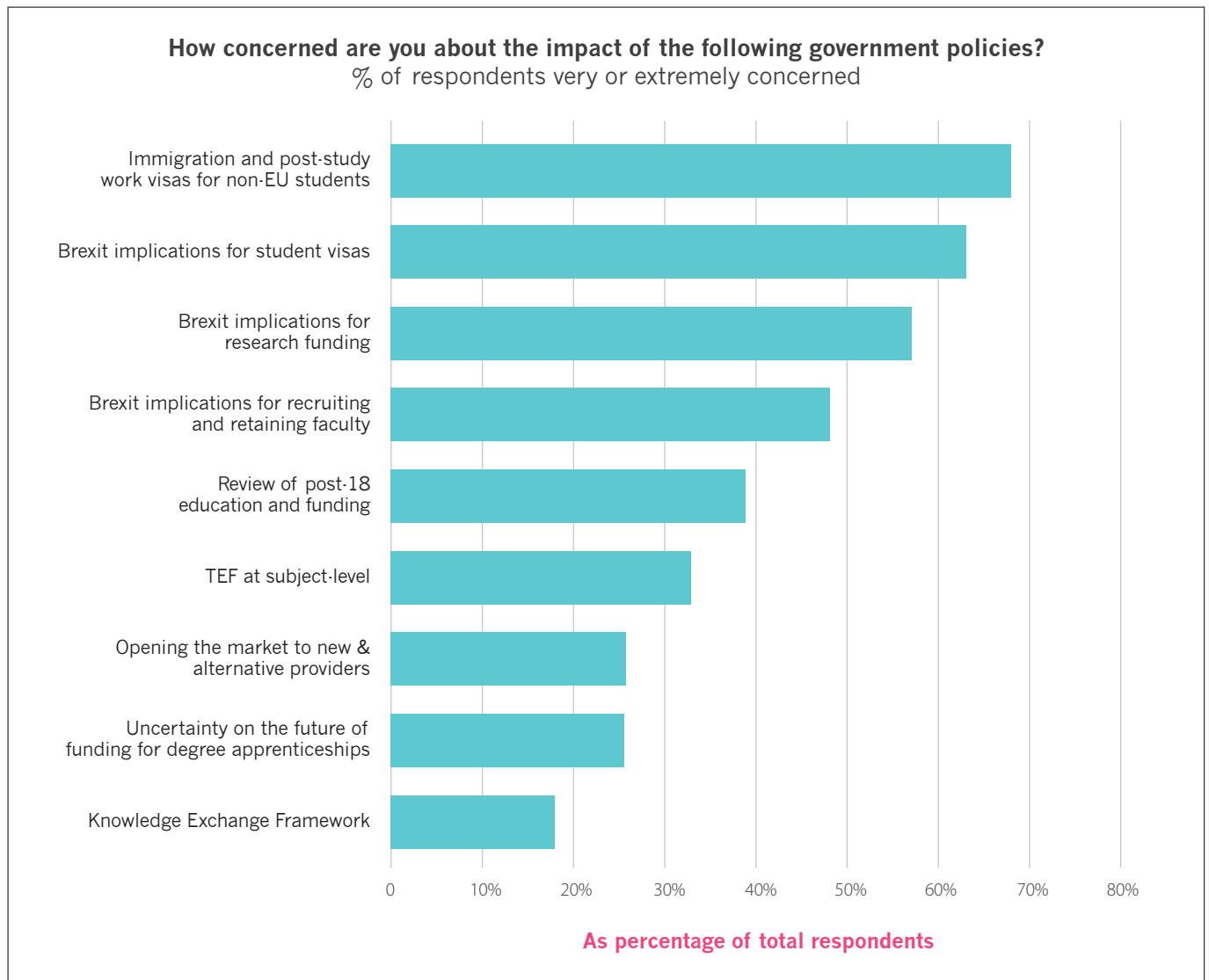
The Chartered ABS Annual Membership Survey examines the emerging issues and challenges facing UK business schools. The survey is intended to support members by providing market intelligence and insights. It also serves as a barometer on external issues and policy, giving the Chartered ABS evidence to support our lobbying and advocacy work. A total of 114 senior staff from 77 UK business schools participated in this year's survey.

## Strategic Challenges and Opportunities



**Figure 1: Biggest challenges facing your business school**

- Figure 1 reveals that staff in UK business schools believe the sector is facing significant or critical challenges connected to teaching and research in addition to student and staff recruitment. Attracting research funding is perceived as the most difficult challenge, with 56% of respondents believing this to be significant or critical, and the REF 2021 also rates as a high concern, with 51% perceiving it as significant or critical. Furthermore, around 40% of respondents believe that demonstrating research impact is a significant or critical challenge.
- Challenges related to student satisfaction and the proposed TEF at subject-level also feature prominently in the responses. 54% of respondents stated that improving student satisfaction was significant or critical, whilst 45% felt the same way about TEF at subject-level.
- Several issues that could be related to Brexit and wider UK government immigration policy were also cited as being important. Attracting UG and PG students from the EU was seen as a significant or critical challenge by 43% of respondents, and 42% expressed the same view in relation to attracting UG and PG students from non-EU countries.



**Figure 2:** How concerned are you about the impact of the following government policies on your business school?

- Over two-thirds of respondents were very or extremely concerned about policy towards immigration and post-study work visas for non-EU students and 63% expressed the same sentiment on the implications that Brexit could have for student visas.
- The implications of Brexit are also seen as problematic in relation to research funding, with 57% of respondents either very or extremely concerned about this issue, and around half of respondents feel the same way about how Brexit could impact upon the recruitment and retention of faculty staff.
- Two aspects of government policy unrelated to Brexit are also concerning a significant proportion of senior staff in business schools, with 39% very or extremely concerned about the Review of post-18 education and funding and one-third expressing the same viewpoint towards the TEF at subject-level.

## Student Recruitment

**Table 1:** Applications - Current academic year

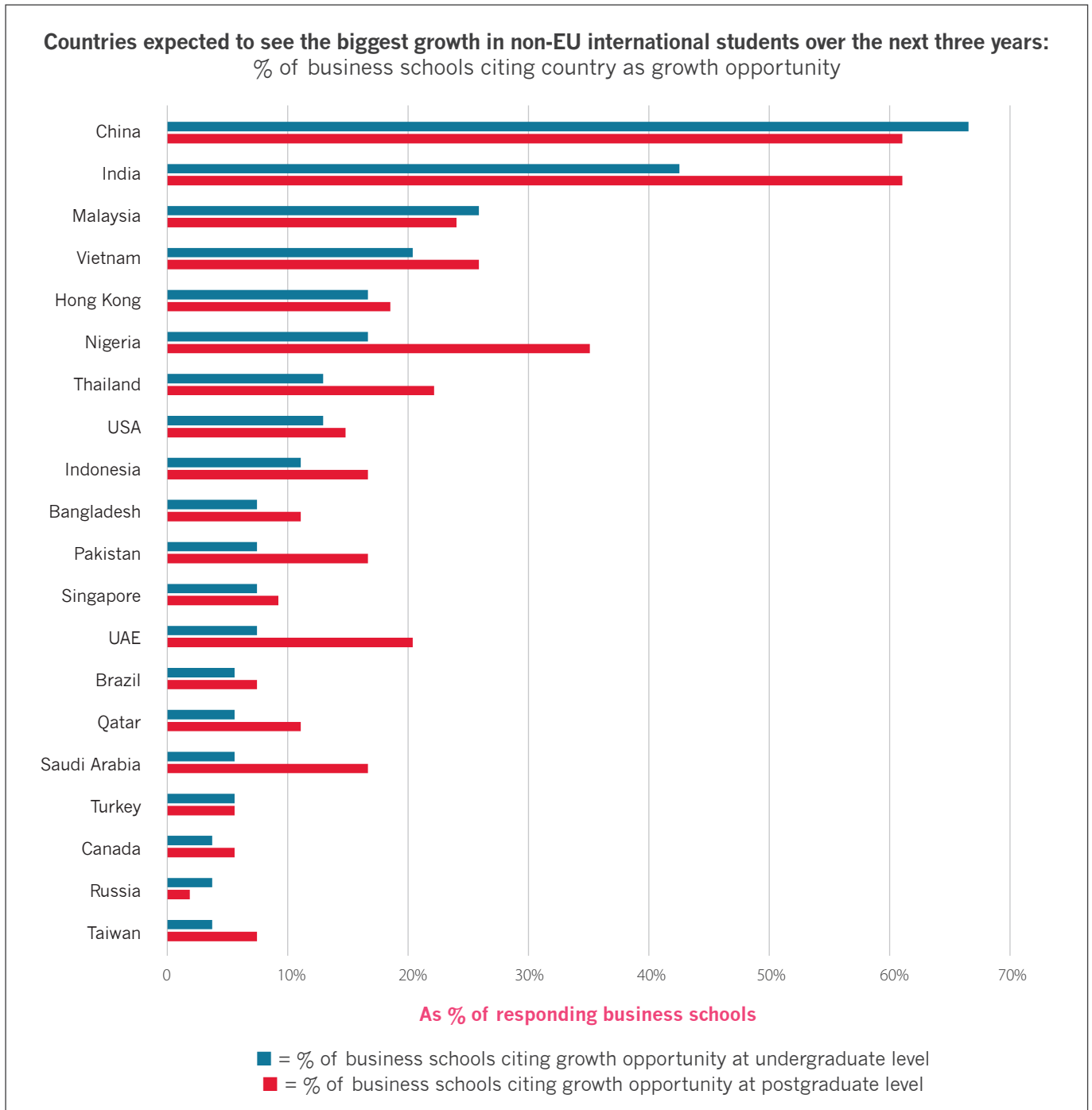
Applications	% of business schools reporting an increase	% of business schools reporting no change	% of business schools reporting a decrease
UK undergraduates - Applications	27%	27%	47%
UK postgraduates - Applications	43%	24%	33%
EU undergraduates - Applications	29%	34%	37%
EU postgraduates - Applications	15%	50%	35%
Non-EU undergraduates - Applications	48%	34%	18%
Non-EU postgraduates - Applications	72%	7%	21%

- For UK undergraduates nearly half of the business schools reported a decrease in the number of applications for the current academic year, with the remainder split equally between those reporting an increase or no change. The picture is more mixed for UK postgraduates as 43% recorded an increase in applications and one-third a decrease.
- For EU undergraduates the outlook is fairly mixed but only 29% of business schools reported an increase in applications with the remaining two-thirds stating they had either seen no change (34%) or a decrease (37%). There is no significant change in the proportion of business schools reporting a decrease in applications from EU undergraduates if compared to the 2017 edition of this survey. In the case of EU postgraduates, only 15% of business schools had seen an increase in applications and around one-third had seen a decrease.
- In the case of recruitment of non-EU students, strong growth in applications is observed for both undergraduates (48% of schools reporting an increase) and postgraduates (72% reporting an increase), with one-fifth reporting a decrease in applications from undergraduates and postgraduates. In the case of non-EU postgraduates, this is the second consecutive year in which a majority of the business schools responding to this survey have reported an increase in applications.

**Table 2:** Offers - Current academic year

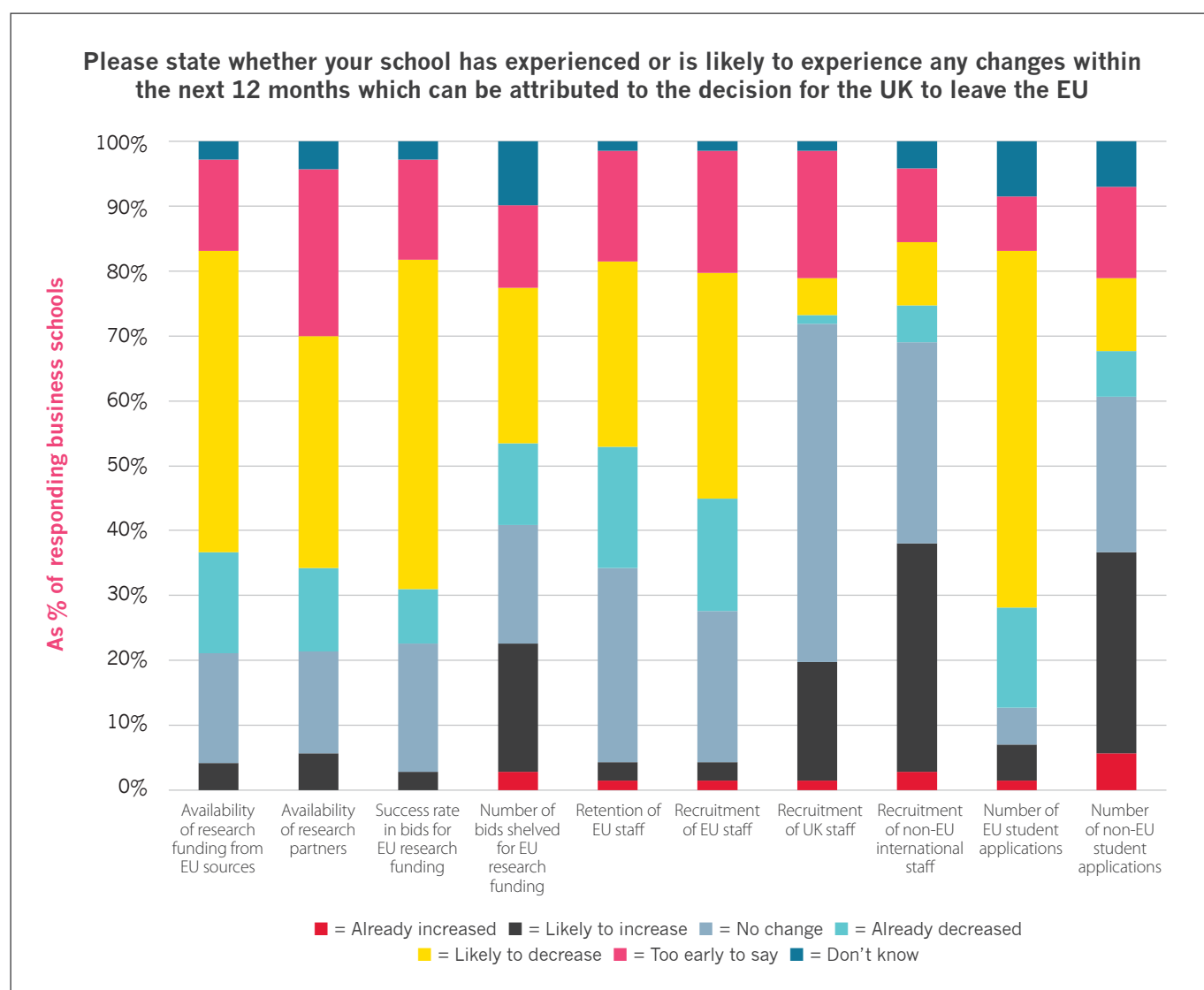
Offers	% of business schools reporting an increase	% of business schools reporting no change	% of business schools reporting a decrease
UK undergraduates - Offers	41%	30%	28%
UK postgraduates - Offers	62%	17%	21%
EU undergraduates - Offers	31%	44%	25%
EU postgraduates - Offers	26%	48%	26%
Non-EU undergraduates - Offers	51%	29%	20%
Non-EU postgraduates - Offers	70%	10%	20%

- Across all but one category of student more business schools reported an increase in the number of offers for the current academic year than a decrease, with the exception of EU postgraduates. Most notable are the high proportions of business schools reporting an increase in offers to UK postgraduates (62%) and non-EU postgraduates (70%).
- The results are mixed for EU undergraduates with just under half of schools reporting no change, 31% an increase and 25% a decrease. These results are largely unchanged from the 2017 survey. Notable is the much smaller proportion of business schools reporting that their offers to EU postgraduates had increased (only 26% in 2018, compared to 48% in 2017).



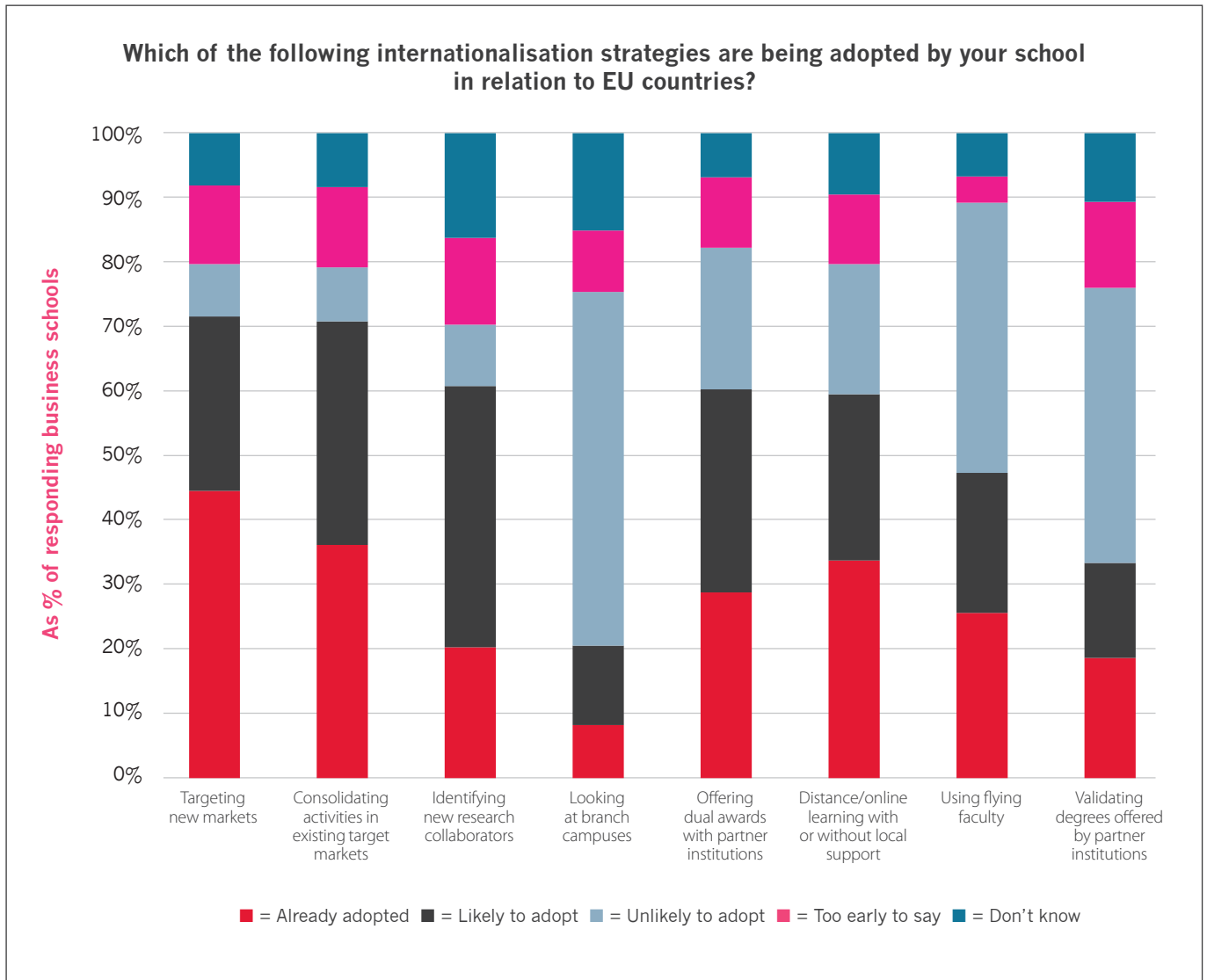
**Figure 3: Countries expected to see the biggest growth in non-EU international students (top 20)**

- China and India are by a long way the countries expected to see the biggest growth in recruitment of non-EU international students to UK business schools over the next three years. Over two-thirds of business schools expect China to be one of the countries producing the biggest growth in students at undergraduate level and 61% see the country as a big growth opportunity for postgraduates.
- For postgraduate qualifications the proportion of business schools citing India as one of the countries likely to produce the biggest growth in non-EU students was equal to the proportion of schools citing China, but at undergraduate level, only 41% of business schools expected India to be among the countries accounting for the biggest growth in international students compared to 67% for China.
- Underlining the view that China and India are likely to generate the largest growth in non-EU students in the coming years is that the countries in third and fourth place, Malaysia and Vietnam, were cited by only 26% and 20% of responding business schools, respectively, at undergraduate level.



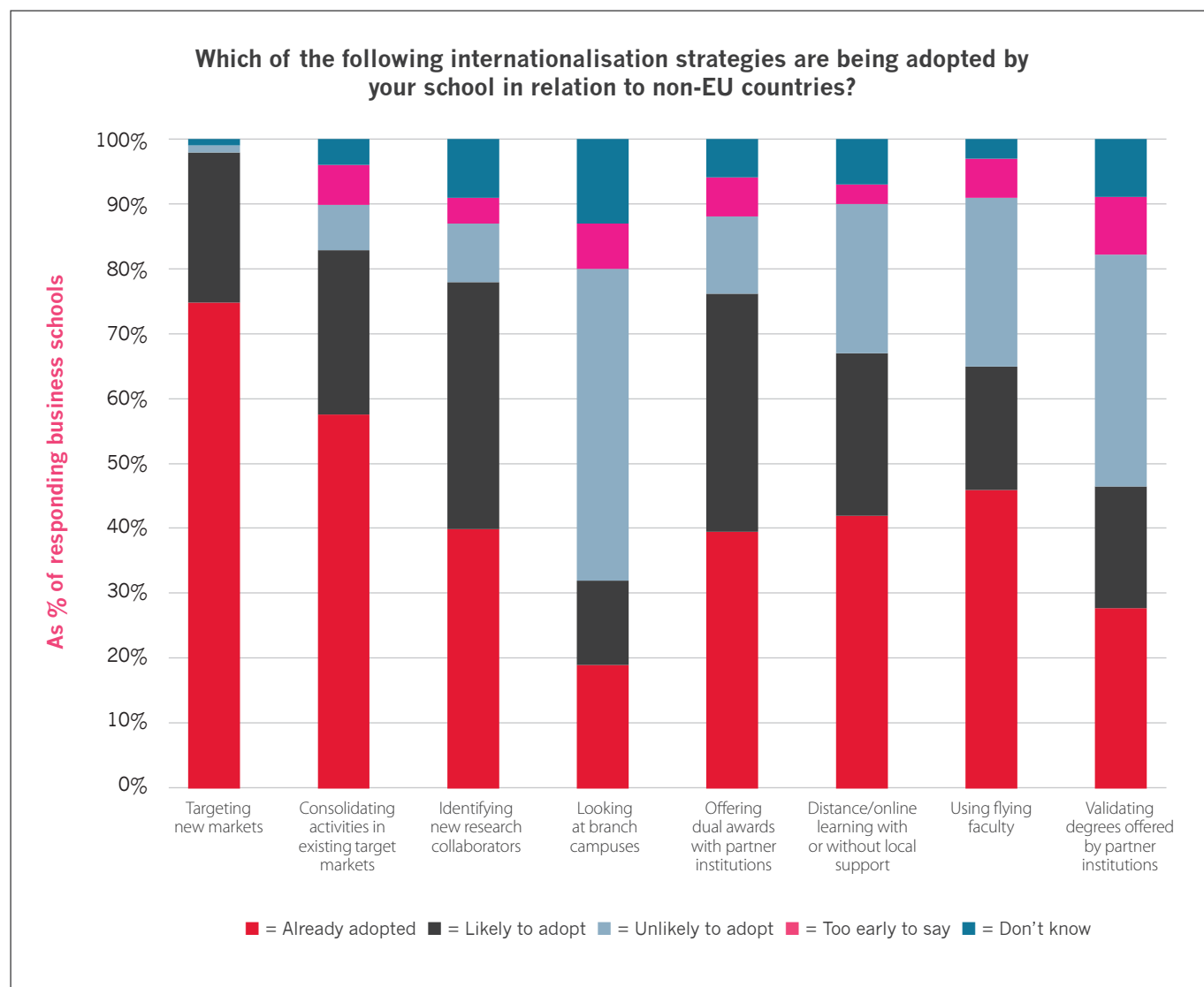
**Figure 4:** Changes experienced or likely to be experienced by your school which can be attributed to the decision for the UK to leave the EU

- The results for figure 4 show that most UK business schools expect to experience an impact across several key areas within the next 12 months as a result of the UK's impending exit from the EU and some have already been adversely affected. In the case of availability of research funding from EU sources and availability of research partners, around 15% of business schools have already experienced a decrease, and 46% and 36%, respectively, believe they are likely to see a decrease within the next 12 months. The recruitment and retention of EU staff has already been impacted upon by the UK's decision to leave the EU, with 19% of business schools reporting a decrease in the retention of EU staff and 17% seeing a decrease in the recruitment of EU staff.
- In comparison with our 2017 survey, most adverse effects on business schools are greater now than a year ago. In 2017 only 6% of business schools reported a decline in research funding from EU sources but this has increased to 15% this year. Similarly, the proportion of business schools already seeing a decrease in available research partners has increased from 5% to 13% and the proportion having difficulties retaining EU staff has grown from 16% to 19%.
- For those schools that haven't experienced any adverse changes in key operating activities, many anticipate this to occur within the next 12 months during which time the UK will leave the EU. A majority of the business schools believe that the number of student applications from EU countries is likely to decrease (55%) and an additional 15% have already experienced such a decline. In contrast, nearly one-third of business schools expect to see an increase in applications from non-EU students and 6% have already seen an increase.
- There is an indication that perhaps some business schools expect the recruitment of UK staff and non-EU international staff to offset the loss of staff from EU countries. Around one-fifth of the schools who responded to the survey believe the recruitment of UK staff is likely to increase in the next 12 months and over one-third hold this opinion in relation to non-EU international staff. Nearly one-third of business schools believe that non-EU student applications are likely to increase in the next 12 months.



**Figure 5: Internationalisation strategies adopted by your school in relation to EU countries**

- Figure 5 shows that a number of UK business schools have already adopted or are likely to adopt specific internationalisation strategies towards EU countries. Just under half of the business schools participating in the survey are already targeting new markets within the EU and an additional 27% are likely to follow suit.
- Over one-third are already consolidating their activities within the EU markets they already operate in and the same proportion believe they are likely to do the same. A significant proportion of the business schools responding to the survey have already adopted or are likely to adopt a strategy of identifying new research collaborators (61% combined), offering dual awards with partner institutions (60%), providing distance/online learning (59%) or using flying faculty (47%). One-fifth of the schools are either already looking at the possibility of opening branch campuses in EU countries or are likely to start looking in the near future. The proportion of schools reporting that they are offering dual awards with partner institutions in the EU has increased from 18% in 2017 to 29% in 2018.



**Figure 6: Internationalisation strategies adopted by your school in relation to non-EU countries**

- Figure 6 indicates that schools are more likely to have already adopted specific internationalisation strategies for non-EU countries than for EU countries. For example, 74% of business schools responding to the survey stated that they were already targeting new markets in non-EU countries, compared to 45% for EU countries. Similarly, 57% said they had already adopted a strategy of consolidating their activities in existing target markets outside of the EU, whereas 36% said this was the case for markets in the EU.
- Since the 2017 survey the proportion of business schools stating that they are already targeting new markets in non-EU countries has increased from 62% to 74% and the percentage reporting that they are likely to identify new research collaborators outside of the EU has increased from 16% to 38%, although the percentage stating they are already following this strategy remains unchanged at 40%.



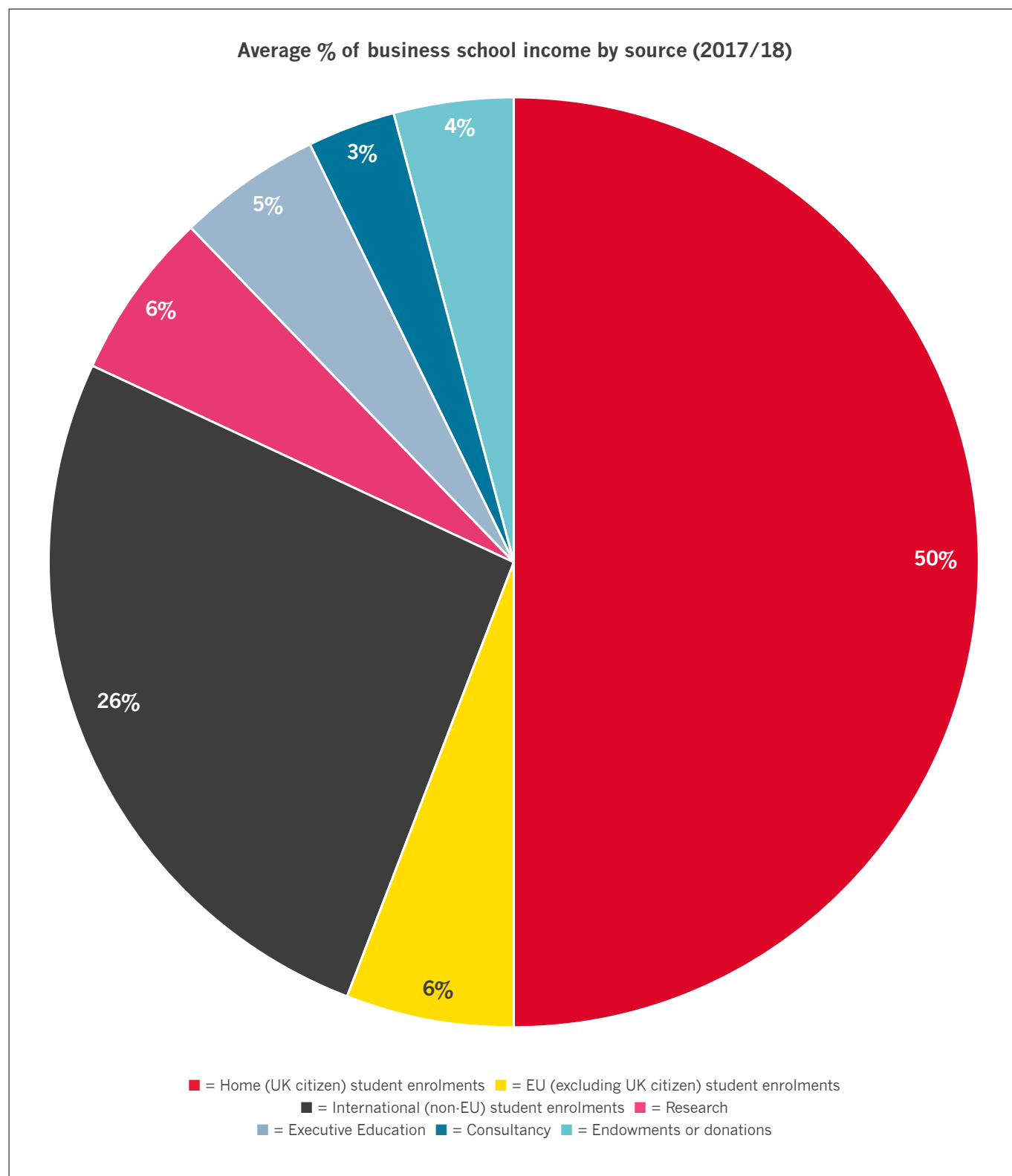
## Business School Finances

What percentage of your school's total income in 2017/18 came from the following sources?

		% of income received from source											
% of schools reporting income within range		0%	1-5%	6-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
	Home (UK citizen) student enrolments	0%	0%	4%	7%	11%	11%	7%	15%	30%	4%	11%	0%
	EU (excluding UK citizen) student enrolments	0%	50%	33%	17%	0%	0%	0%	0%	0%	0%	0%	0%
	International (non-EU) student enrolments	0%	4%	15%	22%	19%	19%	7%	11%	4%	0%	0%	0%
	Research	0%	62%	27%	4%	8%	0%	0%	0%	0%	0%	0%	0%
	Executive Education	28%	56%	12%	0%	4%	0%	0%	0%	0%	0%	0%	0%
	Consultancy	33%	63%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Endowments or donations	52%	36%	8%	4%	0%	0%	0%	0%	0%	0%	0%	0%

**Table 3:** Percentage of business school income in 2017/18 by source

- Respondents were asked to state the percentage range of their business school's total income from each source. The table displays the proportion of schools selecting each percentage range for the various income sources.
- Home (UK citizen) student enrolments make up at least 50% of total funding for around 60% of the schools. EU (excluding UK citizen) enrolments are a much less prolific source of funding, with none of the responding schools receiving more than 20% of funding from EU students.
- More than half of the schools receive between 20% and 60% of their income from non-EU international student enrolments, highlighting the continued importance of this market. Research and Executive Education comprise no more than 5% of total income for most of the schools in the sample.



**Figure 7:** Average % of business school income by source (2017/18)

- Student enrolments comprise on average 82% of a UK business school's income, with other sources – consultancy, Executive Education and research – accounting for 18% of total income.

% of expenditure by source											
% of schools reporting expenditure within range		0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
	Academic staff costs	0%	4%	39%	29%	7%	14%	4%	0%	4%	0%
	Non-academic staff costs	50%	38%	8%	4%	0%	0%	0%	0%	0%	0%
	Marketing	89%	11%	0%	0%	0%	0%	0%	0%	0%	0%
	Other operational costs	63%	33%	0%	4%	0%	0%	0%	0%	0%	0%
	Contribution to your parent institution	11%	4%	0%	11%	14%	39%	18%	0%	4%	0%

**Table 4:** Percentage of business school expenditure in 2017/18 by source

- Respondents were asked to state the percentage range of their business school's total expenditure in each category. The table displays the proportion of schools selecting each percentage range for the various expenditure categories.
- Academic staff costs comprise up to 40% of total expenditure for over two-thirds of the business schools who completed this question. For nearly 90% of the schools non-academic staff costs represented a maximum of 20% of total expenditure. For some of the schools the contribution made to their parent institution represents a large proportion of total expenditure, with over 80% of schools stating that their contribution comprised between 30% and 70% of total costs.



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