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The Competitive Advantage of Enrollment Management

K. Edward Scott (Kenneth)

Auburn University

EDLD 7230 - Student Services Administration in Postsecondary Education

Professor: Dr. David DiRamio

Fall Semester 2005

1 December 2005

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Introduction

Just exactly what is a competitive advantage? A simple answer is: it's the ability and willingness of an organization to go "one up or one better" on the competition. The next question is – do colleges and universities perceive the need to compete for students? The answer is now not so simple, but remains unequivocally yes (Hossler, 2005; Mager, 1999; Smith, 2004). Following the logic of the first two questions, what process within the university will provide the competitive advantage? The process is given the nomenclature of enrollment management (Dungy, 2003). And, finally, how might enrollment management be defined? Miami University has a definition which is precisely notable: "When applied astutely and ethically, EM [enrollment management] enables a college or university to meet its mission better than could ever be imagined. EM recruits students for success, links them to faculty and other mentors, and helps them become college graduates and lifelong achievers" (<http://www.miami.edu/enrollment-management/>). Consequently, enrollment management is the system in the institution whereby methods, materials, and manpower are used to establish and maintain educational recruitment, retention and graduation rates to competitive advantage.

The Depth of Materials Related to Enrollment Management

It is a simple matter to determine the quantity of materials associated with enrollment management. In particular, using the keyword of "enrollment management" in the Google search engine on the Internet, the responses numbered 1,190,000 and included such notables as The University of Miami, Spelman College, Illinois State University, Princeton, Texas Tech University, as well as The Enrollment Management Review and Noel-Levitz. For each of these major universities noted, there were pages of statistical data associated with the enrollment of students: total on-campus enrollment, undergraduate and graduate enrollment, transfers, committees, policies, EM plans, GPA data, ad infinitum. In short, these materials offer a wide array of information for review and analysis associated with enrollment management.

Moreover, what might a review of the academic and scholarly literature reveal? For example, Stewart (2004) completed a content analysis to qualify the characteristics of the enrollment manager; Ballinger (2005) discussed the sensitive issue and relationship of enrollment management and “best” or “prestigious” colleges by rankings (p. B37), e.g., *U.S. News & World Report* (Gose, 2005); Henderson (2005) discussed the dichotomy between EM structure and academic application; and, a study by Black (2004) indicates the importance of “the relentless pursuit for strategies to improve competitive position” (p. 37). These examples are but a small fraction of the total body of literature which is available for review. For this paper, the focus will be to extract sufficient information to either support or reject the conceptual framework or paradigm that enrollment management provides institutional competitive advantage.

EM: Management, Leadership, Politics, Recruitment, Retention, or All of the Above?

What is the historical basis for EM? According to Black (2004), “...colleges and universities have been in existence longer than any other organizations in the world except the church. We have endured not because of our capacity to change, but rather in spite of it” (p. 43). Thus, enrollment has been an issue for as long as schools have been providing educational services (Jones, 2003). The greater question is when did colleges and universities determine the need to become competitively involved in enrollment, thereby creating the need for EM? According to the literature, the actual dates vary widely, but Henderson (2005) suggests that Jack Maguire, 1976, was the “the father of EM” and wanted to bring cohesion to disparate functions in admissions, financial aid, and student retention (p. 3); however, Gose (2005), cites an article written by Edward B. Fiske in 1979, in which Fiske credited “the adoption of slick marketing and ethically dubious recruiting to the declining student population of the era. Today, he [Fiske] notes, colleges have no such excuse” (p. B6). What might Fiske be referring to?

As noted by the Reference Service Press (2003) in identifying data from the College Board, colleges and universities over the last eight years increased enrollment from 14.3 million to 15.3 million to reach an all-time high record number of students. In fact, enrollment is expected to increase another 15%

to an estimated 17.7 million students by the year 2012. Assuming the validity and reliability of the projection, what organizational traits might be best suited to support enrollment management as the catalyst for competitive advantage? The traits noted in the survey of the literature for this paper are limited to and segmented into five general categories: management, leadership, recruitment, retention, and politics (Black, 2004; Black, 2004; Jones, 2003; Marthers, 2004; Roof & Presswood, 2004; Sauter, 2005; Stewart, 2004). How are these organizational functions defined and related to competitive advantage?

Black (2004), in citing Kalsbeek (1997), provides the political framework for EM: “Politics is a natural way of getting things done in enrollment management because, by its nature, enrollment management relies on an interdependence of many departments, functions, and processes” (p. 43). The critical impact of politics in EM is to establish an appropriate process of leverage to support the success of EM within the institution. The educational institution which can implement and apply the most effective political leverage to maximize its EM efforts will, therefore, be more likely to gain a competitive advantage in the enrollment management process, discounting other variables in the process (Sauter, 2005).

Roof & Presswood (2004) have investigated the differences in what has been termed “leadership” and “management.” Technically, the study identifies leadership as a position of institutional-political-influence, whereas management is a position of goal-driven-structural-action. In the findings of the study, the researchers conclude that EM needs both leadership and management in a balanced collaborative effort and that those in the positions of leadership or management must understand their respective roles to be most effective. Jones (2003), however, stipulates that “what is not being heard on most campuses is the term ‘enrollment leadership’” (p. 39) and Ward (2005), in framing key elements for developing and implementing an enrollment plan, notes that leadership is a key element in the success of an EM plan.

Although leadership is a highly researched topic, it is suggested that enrollment management would gain an enhanced competitive advantage as educational institutions move the process of EM to a

new level of institutional leadership. Sauter (2005) in an interview with Kalsbeek, renowned as a pioneering thinker in enrollment management and marketing in higher education, notes the opinion of Kalsbeek:

EM as a practice and a perspective would benefit from a greater diversity in the professional pathways from which we select our next generation of senior leaders ... EM is not a clearly bounded set of roles, responsibilities, tasks, talents or competencies. EM is a pretty richly variegated tapestry of professional roles and a fluid set of activities. I've long thought that the only consistent thing in EM across the terrain of American higher education is the inconsistency in how it's conceived and practiced (p. 28).

Assuming that the leadership in EM focuses operations towards competitive advantage, what are the target areas to be addressed? According to Stewart (2004), "enrollment management involves a host of functions that cross divisional lines, including clarification of institutional purpose, program development, marketing and recruitment, financial aid, orientation, and retention" (p. 21). This paper will focus mainly on recruitment and retention. When recruitment is considered in the context of competitive advantage, what does it actually mean? Ballinger (2005) thinks that there is "a paradigm shift to sales and marketing" (p.B37). Kalsbeek in Sauter (2005), would totally agree with Ballinger. Kalsbeek tells the story of the old west scout who had no authority but absolute power or influence. He equates the process of recruitment as:

Strategic enrollment management is higher education's equivalent of scouting, pure and simple. It's about being attuned to market realities, about understanding students and parents and employers, about translating our internal and often arcane academic vernacular and idiosyncratic jargon to audiences that often speak an entirely different language altogether. It's also about bringing to those at the core of the organization and those with the authority – be they the faculty or the executive leadership – valuable intelligence and insight about the competition and about the customer, about market dynamics and demographic futures, about looming threats and new opportunities far off on the horizon or right around the bend. Therein lies SEM's real influence and real value. And that's also what makes it so much fun (p.25).

It would be the suggestion of this paper that if the processes specified by Kalsbeek were to be implemented under the leadership of EM, recruitment would become a precious competitive advantage commodity in educational institutions. Assuming that students are recruited to a college or university, what is the next logical process to be implemented? And would this next logical process be considered as

a competitive advantage in terms of EM?

The next logical process is retention – up to and through successful graduation. How important is retention? The National Center for Developmental Education (NCDE) (2005) has reported that retention is a highly valued process in the entire set of operations within EM. As a basis for the article, NCDE used a study by Keels (2004) in which institutions who practiced EM retention competitive advantage were to be recognized. In fact, Noel-Levitz, a consulting firm specializing in enrollment management, has created the annual Lee Noel and Randi Levitz Retention Excellence Awards. The four universities to be recognized are: Southeastern Oklahoma State University's Academic Advising and Outreach Center (AAOC); Georgia Institute of Technology's Challenge Program; State University of New York at New Paltz's Educational Opportunity Program (EOP) Freshman Year Experience; and, University of North Carolina at Greensboro's (UNCG) Strategies for Academic Success. This paper suggests that retention is critical to the success of the EM process and without strong and consistent retention, the competitive advantage of enrollment-retention may not be a strong contributor to the success of the institution.

Selected Issues in EM

Willmer (2001) notes that “Admissions offices are beginning to share top billing as the largest revenue generator with the rest of the enrollment management team as they combine to contribute to increased enrollment (p. 194). Moreover, and in light of the College Board's projections for enrollment by the year 2012, what are some of the major issues facing EM, e.g., admissions offices, as a major institutional contributor to EM, now and in the future? For example, merit aid, diversity, discounting, early decisions (Burd, 2004; Hossler, 2004; Nelson, 2003; Thiuri, 2004); SAT as an optional metric for admissions (Weisbuch, 2005); necessity for an EM plan (Ward, 2005); environmental education and EM (Marthers, 2004); athletics, et al. This paper will address the specific issue of merit-based recruiting or whether student aid should be based on need or merit or both (Nelsen, 2003).

As students seek the best college or university for their future preparation, the questions about the institution are endless: when to apply, tuition, financial aid, applications, etc. But, what is the precursor to merit-based recruiting? Maybe the best summary for this issue is noted by Ballinger (2005);

The commercialization of the college-admission process is now fully entrenched, and our students, colleges, and society are the worse for it...colleges are beginning to reap what they have sown from purchasing a billion dollars' worth of market research and enrollment-management consulting services. They have communicated quite effectively that education is a commodity, something to buy on sale. The primary question students and parents now ask is not which colleges may be the best fit, but rather which are the 'best' (read 'prestigious') colleges they can get into, ideally at a financial discount. 'I can't go to a state school,' one student wailed. 'I'll be stupid!' What have we done? (p. B37).

The specific issue of merit-based enrollment is related to the attributes of leadership, enrollment, and other issues and could even be attributed to competitive advantage if the goal of the institution is to attract the "best-and-brightest" students *across the population*. To further reference Ballinger (2005), the issue is that for private colleges, the so called merit-based scholarships are being paid from regular institutional funds instead of endowments. Many of these prestigious colleges discount their tuition by more than 40% and even though the tuition is reduced, the college must also recruit students who can pay full-tuition so that the net gain in expenses is offset due to the merit-based students. The result of this disparity in tuition, as noted by Ballinger, is that "intense institutional self-interest has come at the expense of students from low-income, first-generation, and under represented backgrounds" (p. B37).

Burd (2005) agrees with Ballinger. He (Burd) also discusses the discounting in tuition and indicates that these discounts have resulted in net losses, the failed goal of increased retention or graduation rates, and the reduction of increased instructional spending and vital services. This issue has also been extended to the public institutions in that the public colleges and universities use metrics or measures to acquire the best students possible. While this is an admirable goal, by setting levels of entrance scores at a certain level, students who could otherwise benefit are unable to attend college, or at least are relegated to a "lesser" two-year degree before entering a major university or college. In essence, this process falls under the issue of merit-based recruiting. One of the important questions to be

answered: is merit-based recruiting consistent with professional competitive advantage recruiting?

It appears that recruiting students has become a process of competition and that because students have so many options, the outcome of recruiting is highly-competitive between colleges and universities. There are incentives, based on the goals of the college, to offer reduced tuition or scholarships and that those who do not score the highest entrance scores or who possess lower GPA's, may not be recruited as heavily as other more fortunate prospective students; furthermore, there are certain financial-aid benefits which many students are afforded at the expense of other well-deserving students (Hossler, 2004).

Conclusion The enrollment management process, provided leadership is the driving force of the EM process, produces competitive advantage in the politics, recruiting, and retention of the institution. Thiuri (2004), quoting Hossler, may have summed up the EM process to a focused outlook:

Just some final comments about the field of enrollment management. I believe it is becoming a normative administrative structure at most colleges and universities. It started out with private schools and is now increasingly common at public institutions. Now, much like senior development officers became normative during the 1950's and 1960's, it appears that more and more presidents have decided they need to have a senior enrollment officer (p. 31).

Black (2004), has provided the best conclusion-statement for EM and is the statement which this paper supports wholeheartedly. It is also the consensus of this paper that the following summation is the best supporting conclusion to the original question posed in the paper earlier: the focus will be to extract sufficient information to either support or reject the conceptual framework or paradigm that EM provides institutional competitive advantage. EM, in fact, does add to institutional effectiveness and the competitive advantage of recruiting, retaining, and graduating students; however, there are many issues which are yet to be finalized in the on-going research and processes associated with EM:

The staff in your organization represent your only sustainable competitive advantage, not strategies. Provide learning opportunities specific to their functional area but that also introduce them to enrollment management concepts, your enrollment management strategies, the institution's vision, and higher education in general. When staff understand how their functional role fits with the bigger picture, they think "outside the box" and take calculated risks. They contribute to the enrollment management organization in ways that you never imagined. And most importantly, if you recognize their contributions, they will feel like valued members of the team (p. 38).

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