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Competition in Higher Education: Build It and They Will Come or You Have to Spend Money to Make Money

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As a former undergraduate recruiter, I began this program fascinated by how different the U.S. and European systems, particularly the Swiss system, handle the concept of enrollment management and competition for students. The systems in general are so different in terms of admissions and funding sources that I expected obvious differences in the way they seek out students, especially at the undergraduate level. I was not prepared, however, to see how connected those differences are to the basic approaches our two educational systems and cultures take to higher education.

Here, I argue that the core difference between U.S. and European approaches to enrollment management comes down to the current conception of competition within higher education. The European system of higher education takes a “build it and they will come” approach to higher education. Education is something that all their citizens are entitled to, if they can succeed at it. Universities do not have to carve out a “niche” for themselves or compete with other universities for students. Students will come because the university offers a public service that students need. Competition may be beginning to manifest itself within the European system, but it is currently focused within the realm of research funding, not that of student enrollment.

The U.S. system, on the other hand, takes an approach that is more aptly represented by the aphorism, “you have to spend money to make money.” Education has become much more commercialized in the U.S., due to increasing competition, which has its roots in the growth of community colleges, the introduction and growth of for-profit universities, and an increased demand for higher education in general. The U.S. system may, at one time, have had a “build it and they will come attitude” but these factors and others—such as the concern for rankings and decreases in public

funding—have put universities on the defensive in recent years (Carlson, 2009; Lauer 2009). Now, universities must invest in marketing, recruitment, and scholarship programs that establish their own unique institutional identities, attract students, and encourage increases in enrollment (and tuition revenue) just to survive in the current market.

Enrollment Management in Practice

These differences in the approach to competition are at the core of the significant differences in enrollment management practices. In the U.S., universities employ entire units dedicated to attending college fairs around the country, visiting high schools, planning telemarketing campaigns, and creating on-campus programming for potential students, not to mention producing electronic and printed materials to persuade students that each university is the right choice for them. Significant amounts of money are poured into these programs. In fact, for 2011, Noel-Levitz, a higher education consulting firm, found that the median cost for recruiting a single undergraduate student to a public institution of higher education in the United States was \$457, including salaries for staff, travel, publications, advertising, and other costs (2011).

In Europe, however, these types of standalone units are rare. From the universities we visited during *Global Perspectives 2012*, I only found one university with such a unit. Eidgenössische Technische Hochschule Zürich (ETH) has a department for Orientation and Coaching, which runs the ETH “On the Road” program as well as Study Weeks and Information Days for prospective students to visit the university and learn more about it. Most of the other universities I spoke with noted that they did attend college fairs and visit high schools, but that more often than not, professors were asked to attend those events because they have no dedicated recruitment staff. Furthermore, all the universities we visited seemed to focus much more heavily on

regional recruitment activities, only visiting high schools and actively recruiting students within their own supporting cantons. Again, ETH seems to be the only exception, given that it is a federal university, rather than a cantonal one.

These differences were not necessarily surprising; however, as I learned more about the European systems that we visited and their basic approaches to higher education, I began understanding the reasons for those differences.

Practical and Philosophical Origins of Difference

While I argue that the core reason for these differences is the different approaches to the concept of competition within the U.S. and European systems of higher education, it really is not that simple. That core difference exists for a number of reasons.

First, one of the most obvious differences is between the funding models of each system. Most of the universities we visited in Europe were typically 70-80 percent publicly funded. By far, the largest portion of their operating budgets was provided by federal and state governments. Therefore, European universities do not have the financial need to bring in more students in order to charge more tuition so they can stay afloat like many universities in the U.S. Furthermore, that funding is guaranteed by law, so universities do not have to compete with each other for that funding source. They may compete for research funding and the like, but they do not have to compete for their largest source of funding. In the U.S., on the other hand, funding from state sources has been steadily on the decline. In fact, the percentage of Virginia Tech’s budget covered by the state was only 28 percent for the 2011-2012 academic year (Virginia Tech, 2011). In situations like this, universities in the U.S. have little choice but to continue raising

tuition and fee levels, which further complicates a competitive environment where the affordability of higher education is a major issue. The low tuition of most universities in Switzerland, however, means that affordability is rarely a factor in students' decisions on where to go to school, so there is no race to see which university can offer the best education at the lowest price.

Secondly, another obvious difference between the two systems is their models of admission. The universities we visited were required by law to have a very open admissions model where if a student successfully graduated from high school with a maturity certificate or the equivalent, they could attend any university they wanted. In the U.S., this kind of open admission model is often interpreted as a sign that a university lacks rigor. Universities seem to pride themselves on the numbers of applicants they deny admission to each year, based on the idea that the better universities are more difficult to get into. European universities, however, are seen as national or regional services to society. If students have the appropriate qualifications, which are set by the federal or state governments, then nothing can stop them from enrolling in the university of their choice. Alain Beretz, President of the University of Strasbourg, said that the of the university is not perpetual, unending growth to the point of “crushing the competition” and stealing the best students. Rather, all universities cooperate in what he termed a balanced for the good of the nation. This ecosystem of universities, then, works to offer the best services each university can in order to serve the students of their individual regions in an effort to benefit the nation as a whole.

This leads into the third reason why the two systems have such different approaches to competition in higher education—the underlying perception that all universities are equal. Frankly, I did not consider this possible until Rector Prof. Dr.

Antonio Loprieno of the University of Basel mentioned it in his talk. Even after he mentioned it, I still did not understand how it could be true. In the U.S., nothing is further from the truth. Loprieno conceded that some universities are “more equal” than others because of the research funding they have access to, but at a basic level, there does, in fact, seem to be a conception that one university is just as good as another. So, if one university is just as good as the next one, and there is little difference in affordability, students seem most likely to attend the university that is closest to home.

Furthermore, since Swiss students attend universities that are closer to home, they are not necessarily forced to form new social groups when they go to university; therefore, they do not identify with the university as much as students do in the U.S. That is the fourth reason the two systems approach competition differently. Students do not seem to identify with their alma maters in Europe as much they do in the U.S. In fact, the concept of the “alma mater” was just beginning to develop at many of the universities we visited. Where people go to college is less important to them than what they studied while they were there. According to Rector Loprieno, universities in Europe are focused on training an individual for their future work, rather than educating an entire, informed citizen, like the U.S. system. A former GPP participant writes that the concept of educating the whole student, particularly in the U.S., includes “the intellectual development of the student along with his/her development as a person” (Simonius 2011). This approach makes attending university part of a student's development into adulthood and citizenship. It is perceived much more as a rite of passage for students in the U.S., where it is simply a step toward a career in the European system. The university is therefore less a part of a student's identity than the field or discipline the student is entering. Hence, students in the European systems

we visited would likely be more concerned that their chosen field of study is a right fit than that their university is the right fit. The opposite seems to be true in the U.S. Students are most concerned that the university they choose is the best fit. After all, they are likely to change their major anyway.

Finally, the last reason why the two systems have such different approaches to competition for students at the undergraduate level is that the value of the bachelor's degree is still somewhat in flux in Europe after the adoption of the Bologna Accords. Throughout our visits, we heard many times that the master's degree is the professionally qualifying degree and that students really are not ready to enter the job market after the three-year bachelor's. While some may argue that the same trend exists in the U.S., it has not reached that level yet. Many students are still able to successfully find employment in their chosen fields with a bachelor's degree, even within the current job market. In Europe, however, the bachelor's was virtually created by Bologna in an effort to create an international standard system of degrees, but the master's degree is still the degree that most employers seem to desire. Therefore, if the bachelor's degree is only a step toward the master's degree, and every university is fairly equal in the educational rigor (as noted above), then it does not necessarily matter where students receive their bachelor's. It only matters that they do, so they can move on to the master's and into their chosen career. If where a degree comes from does not matter as much in the European system and culture, then there is obviously very little basis a competitive environment between degree-granting institutions.

Final Thoughts

Throughout the GPP experience, I have tried to determine if I think one system works better than the other. I realize that is not the explicit purpose of the Global Perspectives Program, but these additional perspectives make me question the efficacy of the U.S. process. I was an undergraduate recruiter for my own alma mater for nearly seven years, but I still wonder: Does it make sense for universities to compete at this level? Is it healthy competition, and does it drive universities to be better? Or is it capitalism run amok?

I don't have the answer, but what I can say is that both systems have room for improvement (Doesn't everything?). Perhaps the tentative answer is that we should start moving toward each other. Maybe a little more competition would drive even more innovation and improvements in the European system, and maybe a little less would drive more collaboration and the development of a U.S. ecosystem of universities that works for the betterment of the nation rather than the unbalanced improvement of a institutions.

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