

The Corporatization of Higher Education

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Universities are taking a lesson from the corporate world and in the process are beginning to look a lot like big businesses. Along with trimming the ivy, institutions of higher learning are rolling out sleek logos, conducting research-based branding analysis and constructing million-dollar buildings bearing the names of corporate sponsors.

Are these changes improving efficiency and helping universities better serve their "customers" -- or is this newfound emphasis on the bottom line undermining academic integrity and downgrading the quality of higher education?

"Some people think branding is slick or inappropriate, but it's precisely the opposite," says Kathy Dawley, president of Maguire Associates, a research and consulting firm serving colleges and universities.

While fancy logos and picture-perfect brochures are part of the package, Dawley contends that branding a university serves a deeper purpose. "It's really about the institution's mission and what promises it is making about that mission -- and whether it lives up to those promises."

The University of Vermont in Burlington hired Maguire Associates in 2000 to help restore its image as a "public Ivy" and flagship institution of higher education in the state. The firm conducted an extensive image and identity study, utilizing the best strategies market research has to offer.

For nearly an entire academic year, the firm polled faculty, prospective and current students, Vermont residents and others on what they felt made the university unique. Positive responses focused on faculty credentials, Vermont's carefully selected curriculum, and increased support from alumni -- but these were claims that neighboring universities could make as well.

"We wanted to answer the question, 'What makes the school distinctive?'" says Dawley. With the help of corporate strategizing and branding, they did. "The core message is that this is a university with an extraordinary curriculum that has a practical nature, located in a thriving city in the middle of mountains, where faculty and students share a deep appreciation for the environment." They revamped the university's Web site to highlight its "green" nature.

The branding effort appears to be working. Since 2000, applications to the school are up 42 percent overall. Among Vermont residents, applications increased by 21 percent.

Retention rates and graduation rates have also increased, Dawley says. "You could call this a branding effort, but it went straight to the heart and soul of the school's mission."

Many universities are following Vermont's lead by incorporating corporate tools such as branding and market research to help their institutions stand out from competitors. Maguire Associates has seen business increase nearly 40 percent in the past five years, both in terms of revenue and number of employees.

"We're at the point where branding and focused strategized communications is accepted in higher education," Dawley says.

Is knowledge a commodity?

Not everyone agrees. There's a downside to the corporate effect, says Scott Rice, an English professor at San Jose State University in California.

"Universities have been infected by the corporate bottom-line mentality," he says. Schools least likely to attract corporate investors, including those focusing on the liberal arts and social sciences, receive the raw end of the deal while money-making business and law schools are "the fair-haired children."

Knowledge isn't like other commodities, he says. "The purpose of business transactions is to give customers as little as they are willing to accept in exchange for as much as they are willing to pay," he says, adding that schools should do the opposite. "Schools challenge students to take as much as their minds possibly can."

The new university: outsourcing

For some schools, operating like a business makes perfect sense. Harrisburg University of Science and Technology is hardly the typical university -- and is all the better for it, says Mel Schiavelli, CEO of the Harrisburg, Pa., school. That's right -- the university president is referred to as "CEO."

There's no tenure for faculty at Harrisburg. And basic services such as the cafeteria, gym and even housing are all outsourced. Best of all, tuition is reasonably priced at \$14,000 a year. "It's just like buying a Saturn -- no hidden fees," says Schiavelli.

The private school was started by a band of business leaders who wanted to ensure that the manufacturing region of Pennsylvania retained jobs by training the next generation to be technologically astute and real-world oriented.

Opened in 2005, Harrisburg University offers professors salaries that are a third higher than competing institutions, but without tenure. "We view ourselves like a start-up," says Schiavelli. "We have to be careful of ongoing financial commitments" -- namely the job security of its professors -- "because we want a workforce that can respond quickly to changes."

Instead of traditional departments like math, chemistry and biology, the science and technology-centered school offers multidisciplinary degrees, which require mastery of a number of disciplines.

Harrisburg University runs on a three-semester calendar, as opposed to the typical two-semester schedule. "If you had a company that used its facility only 75 percent of the time, it wouldn't be an efficient model," Schiavelli says. And, everything is conducted in what Schiavelli terms "Internet time." He says, "Universities run pretty slow, but corporations run quickly."

In addition to the courses in one's field of study and the foundational competencies required by the university (including written and oral communications, critical thinking, history and literature courses), students also complete two required internships.

"One complaint employers have is that computer science graduates don't understand the industry they're working with," says Schiavelli. Harrisburg University hopes to solve that. "The intense internships provide industry-specific knowledge," Schiavelli says. "By straddling the business and technological side, our students become more valuable employees."

For students who aren't already in the workforce, the school outsourced its career services to Arcus, an executive search firm that helps place students for the required internships. The companies who employ students as interns tend to hire them after graduation, completing the training process while the students are still in school.

The coursework emphasizes teamwork and collaborative efforts, in order to mimic the professional world. "We do simulated teleconferencing to get students comfortable working with people who aren't in the same room as they are," Schiavelli says.

Growing the alumni base

When Biscayne College changed its name to St. Thomas University in 1984, the move alienated Biscayne's alumni. That's one of the reasons the Miami Gardens, Fla., university underwent an academic restructuring and rebranding campaign in July.

With the help of alumnus John Dooner, CEO of global advertising firm McCann Worldgroup, the university implemented an internal branding -- dividing itself into four schools and reinstating Biscayne College -- as well as an external branding, including a new fan-shaped logo. Dooner served as a pro bono consultant, overseeing the entire process down to the implementation of an updated school credo: "St. Thomas University: Developing leaders for life."

"People recognize our logo. At the same time, if we separately use our credo, they'll recognize it and identify it with St. Thomas," says Beverly Bachrach, vice president for university advancement at St. Thomas.

The school recently embraced the corporate sponsorship of one of its buildings. Carnival Cruise Lines promised \$1 million toward the building of a science and technology edifice on campus, scheduled for completion in July 2008.

"St. Thomas University is not heavily endowed like Harvard," Bachrach says. "That's why branding is so important. Everybody wants an identity today."