Book Review

Arenas of Entrepreneurship, Where Nonprofit And For-profit Institutions Compete

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Arenas of Entrepreneurship, Where Nonprofit and For-profit Institutions Compete, by Brian Pusser (2005), suggest that all sectors of higher education in recent years have been forced by economic pressures to become more entrepreneurial in style and substance. In addition, the authors present the case that many public and private universities engage in the equivalent of profit-seeking behavior through schools or divisions of continuing education. In summary, the authors discuss the forces shaping entrepreneurship in higher education and the impact of for-profit providers on various postsecondary sectors.

The facets of this research are targeted toward the following areas: (1) the entrepreneurial choices that community colleges are making in response to economic globalization and the associated impact on the noneconomic purposes of these institutions, (2) analysis of public and private continuing education programs as entrepreneurial organizations and

associated challenges to historical norms of finance and equity inherent in the entrepreneurial mode, (3) a case study of summer session programs in research universities as models of entrepreneurial organizations located close to the academic core, (4) challenges of collecting data on noncredit course activity, (5) the implications of workforce development and postsecondary policy, and (6) the typology of regionally accredited for-profit institutions and the strategic approaches to accreditation. In closing, the author provides an analysis of the ways in which postsecondary competition challenges the traditional compact between higher education and the public.

The methodology of the research included gathering data from various sources such as: (1) surveys of states and institutions both online and in print, (2) interviews by telephone and in person with federal, state, association and institutional contacts, (3) a review of existing data sets from

the National Center for Educational Statistics (NCES) and the Integrated Postsecondary Education Data System (IPEDS) and, (4) review of previous research conducted. In the general sense these findings indicate that, entrepreneurial postsecondary institutions are creating and extending opportunities for nontraditional learners who are seeking postsecondary training, credentials, and degrees. More specifically, the author suggests that most of these for-profit programs extend the market to students who in many cases would otherwise not enroll at all. This finding seems particularly clear with regard to older, adult students who are a mainstay of many of these programs. Many traditional institutions have not viewed such students as a priority for recruiting and serving, thereby leaving untapped markets available for new entrants. It is also clear that for many traditional college-age students, who are seeking full-time residential programs, for-profit schools are unlikely to be included in their choice set. In short, the for-profits have successfully identified niche markets in specific professional and technical areas where they can compete successfully.

The following results of this research are well correlated with existing research on management and market behaviors of higher education. The community college has directed its operations toward supporting one of its missions, economic development, at the expense of other missions, in order to maintain legitimacy in the broader political economy. Management behaviors at community colleges increasingly imitate behaviors found in the business sector, with economic goals dominating institutional

strategies and actions (Birnbaum, 2000). The operational practices are drawn from the commercial sector and are informed by business fads prized more for their legitimacy than their utility (Birnbaum, 2000), as well as from traditional management practices. Under the pressure of these behaviors, the value system of the community college is steadily being reoriented to the bottom line. Additionally, solutions drawn from the corporate world are proffered for "problems" that may be useful characteristics of colleges and universities, such as ambiguity, organizational slack, and a diversity of views and values (Birnbaum, 1988). Regional accreditation is considered a business decision for the owners of these for-profit institutions. Significant time and resources must be devoted to the process in order to be successful, so it must be seen as adding some value to the bottom line. The second place value emerges is as a mark of distinction. There are not many for-profit institutions with regional accreditation. The final aspect of regional accreditation is a way to gain legitimacy as a higher education institution through association with more traditional and well-known institutions of higher education and prestigious name-brand universities.

The author concludes that most traditional institutions have lessons to learn from these new for-profit competitors, as the very success of these newer entities indicates that they are meeting needs that traditional colleges and universities are not. What typifies the successful for-profits is a clear focus on education and training for employment, coupled with an emphasis on the student as client, or consumer, rather than as supplicant.

Courses are offered at convenient times, in convenient places, with ample parking and with timesaving procedures. Every effort is made to permit the student to complete a program quickly and with a minimum of downtime. Whereas traditional institutions are often described as more faculty-centered than student-centered, that would never be the case with a for-profit, where the student is sovereign. This approach has been particularly effective with the adult market and those colleges and universities working that terrain and competing with for-profits will increasingly be forced to match these operating procedures. Additionally this research identifies the challenge, for university administrators and state and national policymakers, of going forward will be to protect institutional missions and historical commitments while addressing demands for increased revenue generation, balance demands for productivity with a commitment to core academic values, and manage the risks inherent in entrepreneurial production.

This book provides multiple examples of the perspective that in American higher education all classifications of institutions operate in an entrepreneurial fashion in some

aspect of their operations with some institutions operating to a greater degree than others. The book makes a strong presentation that traditional colleges and universities are competing with each other and with a host of new providers of post secondary education, such as for-profit, online, and corporate institutions, in a battle for tuition, public and private revenues, and prestige. The book does not present the data in a reader friendly format making it more difficult than it should be to easily translate the data to support the writer's conclusions. Although scholarly investigation of this newly developing sector is relatively primitive, it will benefit scholars and practitioners of higher education to add this book as a must read to obtain a better understanding of this relatively new sector of the industry.

References

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